



T. ROWE PRICE FUNDS OEIC

Global Impact Credit Fund – ESG Report

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

As at 31 December 2022

ESG INTEGRATION APPROACH

- The Global Impact Credit Fund leverages our ESG integration process to understand environmental and social dynamics related to a company's conduct. All of our securities selection decisions begin with a clearly defined positive impact thesis, which proactively and systematically integrates ESG considerations. Our philosophy is that ESG factors cannot be separate or tangential parts of a traditional investment thesis. Company fundamentals, including its consideration of environmental, social and governance factors, play a critical role in the security selection process.
- The process of ESG integration takes place on three levels: first, as our fundamental and responsible investment research analysts incorporate environmental, social, and governance factors into their analysis; second, as we use T. Rowe Price's proprietary Responsible Investing Indicator Model (RIIM) analysis at regular intervals to help us understand the ESG characteristics of securities and the aggregate portfolio; and third, as the portfolio manager integrates ESG considerations within the investment thesis and considerations within the investment thesis and portfolio construction process itself.
- 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 pro-actively 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 approximately 15,000 securities and pulls from data sets that are not in the wheelhouse of traditional financial analysis. These data sets include:
 - ESG performance data (i.e. number of accidents, carbon emissions, strength of whistle-blower programs);
 - ESG targets (i.e. plans to reduce carbon emissions, increase diversity, etc.)
 - ESG incidents and controversies (i.e. environmental fines paid, local community controversies/protests against a company, etc.)
- Our strategy philosophy aligns with the United Nations Sustainable Development Goals (UN SDGs), a globally recognised framework designed to end poverty, protect the planet, and ensure prosperity. We believe this is the best way to align all stakeholders in the impact journey, encompassing our clients, investment team, and the businesses our strategy owns. To ensure our approach has substance and materiality, we adopt a forward-looking perspective on change while ensuring all investment decisions are based on a clearly defined, positive impact thesis that is both material and measurable. We assess business activities and how they align to the following three impact pillars and eight sub-pillars, guided by the UN SDGs:

Companies must meet at least one of the following four impact inclusion criteria to be eligible for consideration:

Majority of current revenues or profits is tied to at least one impact sub-pillar

- Majority of projected revenues or profits in 10 years is tied to at least one impact sub-pillar
- Use of proceeds are allocated to projects tied to at least one impact sub-pillar
- Best-in-class response to impact situations

Pursuing positive impact from our investments against these pillars is the start point for every investment decision we make.

For Professional Clients only. Not for further distribution.

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, influencing 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.

Kimco Realty (4th Quarter 2022 Engagement)

Focus	Environmental
Company Description	Kimco Realty (Kimco) is a New York-based real estate investment trust.
Engagement Objective	We engaged with Kimco to provide feedback on its green bond framework.
Participants	From Kimco: Chief Financial Officer, Head of ESG, Treasury representative, Strategic Operations representative, Investor Relations representatives (2) From T. Rowe Price: Global Impact Credit Portfolio Manager; Impact Analyst; Head of ESG, Fixed Income; Responsible Investing Analyst
Engagement Outcome	<p>We provided feedback on Kimco's green bond framework and impact reporting and discussed its broader environmental strategy.</p> <p>Kimco is reporting some of its scope 3¹ emissions, but data availability remains a key hurdle in measuring tenant energy consumption—the most material scope 3 category. Around 50% of its tenants have green leases where sharing energy data is a provision, but Kimco is finding it difficult to enforce this. As such, it is reluctant to set a scope 3 emissions reduction target, given the reliance on estimated data, although it has committed to setting a target by 2025. Meanwhile, it is engaging with national retailers regarding green construction guidelines, retrofitting, and renewable energy projects to reduce tenants' energy use.</p> <p>We discussed Kimco's green bond framework and highlighted areas for improvement, notably enhancing the credibility of green projects, obtaining an SPO, or Sustainability Principles and Objectives framework, and working on its impact metrics. Kimco's impact reporting lacks hard metrics and we recommended that it follow the guidance of the International Capital Market Association (ICMA) on reporting carbon dioxide emissions saved from green building investments. Kimco said that it is unlikely to be more aggressive than its current framework, which is LEED Silver certified, with respect to the credibility of proceeds and that scope 3 data challenges make it hard to report specific impact key performance indicators.</p> <p>We made several recommendations to bring Kimco's sustainability approach, green bond framework, and impact reporting in line with global best practices. These include setting a scope 3 emissions reduction target, updating its green bond framework, and improving its impact reporting.</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).

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the OEIC sub-fund, and no assumption should be made that the securities identified and discussed were or will be profitable. T. Rowe Price may have ongoing business and/or client relationships with the companies mentioned in this report.

Thermo Fisher Scientific (4th Quarter 2022 Engagement)

Focus	Environmental, Social, Governance
Company Description	Thermo Fisher Scientific (Thermo Fisher) is a U.S. life sciences company.
Engagement Objective	We engaged with Thermo Fisher to encourage the company to improve its ESG reporting and to assess its performance against material ESG factors.
Participants	Thermo Fisher: Corporate Secretary, Investor Relations representative, Associate General Counsels (2) T. Rowe Price: Head of Corporate Governance
Engagement Outcome	<p>Thermo Fisher has only recently started to engage with investors on ESG topics. Relative to its peers, the company is in the early stages of the process to improve its ESG reporting and proxy disclosure and to measure its performance against material ESG factors.</p> <p>We discussed Thermo Fisher's inaugural human capital management disclosure, required for the first time in this year's 10-K, or annual report. In our view, it is wide in scope but the data it contains are limited. The company does not plan on changing this section in next year's report.</p> <p>It intends to add ESG content to the 2023 proxy and we provided feedback on what would be appropriate to include.</p> <p>In addition, we discussed board composition. Thermo Fisher currently has an open board search underway and is hoping to improve its diversity.</p> <p>The engagement also had an environmental focus, as we talked about the intensity goals for scope 1 and 2¹ greenhouse gas emissions that the company has set. Thermo Fisher has a fairly concentrated supply chain—and it plans to set scope 3 targets for 90% of its supply chain that it will seek to have approved by the Science-Based Targets initiative (SBTi).</p> <p>The engagement allowed us to provide feedback to Thermo Fisher on various ESG topics. In particular, we encouraged the company report more data.</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).

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the OEIC sub-fund, and no assumption should be made that the securities identified and discussed were or will be profitable. T. Rowe Price may have ongoing business and/or client relationships with the companies mentioned in this report.

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. **Convertible bond** - Convertible bonds contain an embedded equity option which exposes them to risks linked to equity as well as fixed income. They may be subject to higher market and liquidity risk. **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. **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. **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. **Liquidity** - Liquidity risk may result in securities becoming hard to value or trade within a desired timeframe at a fair price. **Prepayment and extension** - Mortgage- and asset-backed securities could increase the fund's sensitivity to unexpected changes in interest rates.

General fund risks - to be read in conjunction with the fund specific risks above. **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. **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. **Hedging** - Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely. **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.

IMPORTANT INFORMATION

The Funds are sub-funds of the T. Rowe Price Funds OEIC, an investment company with variable capital incorporated in England and Wales which is registered with the UK Financial Conduct Authority 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 in English, together with 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 and via www.troweprice.com.

This material is being furnished for general informational and/or marketing purposes only. The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date noted on the material and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request.

It is not intended for distribution to retail investors in any jurisdiction.

This material is issued and approved by T. Rowe Price International Ltd, 60 Queen Victoria Street, London, EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

© 2023 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc.

202210-2468785

202301- 2682140