T. ROWE PRICE FUNDS OEIC

Global Select Equity Fund – ESG Report

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

As at 31 December 2023

ESG INTEGRATION APPROACH

- The Global Select Equity Fund fully embeds ESG integration within its investment process. This means incorporating environmental, social and governance factors to enhance investment decisions. Our philosophy is that ESG factors are an integrated 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 security 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 over 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, etc.);
  - 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.)
- The companies we buy will typically have high quality characteristics as well, with this qualitative assessment based on our analysis of their future economic relevance. As such, our primary emphasis is on company fundamentals, which include the consideration of environmental, social and governance factors. We find that this process tends to yield an ESG-friendly set of companies; however, we also screen the portfolio using T. Rowe Price's proprietary RIIM analysis at regular intervals. This helps us understand the ESG characteristics of the portfolio and makes us aware of any elevated exposures to specific ESG factors.

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.

UnitedHealth (4th Quarter 2023 Engagement)

Focus	Social
Company Description	UnitedHealth is a leading U.S. health insurer.
Engagement Objective	We engaged with UnitedHealth on impact and ESG disclosures.
Participants	From UnitedHealth: Chief Financial Officer, Sustainability Representative, Investor Relations Representative, Senior Deputy Legal Counsel From T. Rowe Price: Investment Analyst, Impact Analyst, Responsible Investing Analyst
Engagement Outcome	We engaged with UnitedHealth to discuss how it could build on its existing disclosures to further evidence its impact in future reporting and improve ESG disclosures on a range of other topics. UnitedHealth leads the managed care industry in impact measurement, with the broadest range of impact key performance indicators (KPIs) of any of its peers. Additionally, the company has set four impact targets: (a) 85% of its members will receive preventive care services annually by 2030; (b) 55%+ of its outpatient surgeries and radiology services will be delivered at high-quality, cost-efficient sites of care by 2030; (c) the company will close 600 million gaps in care by the end of FY25; and (d) invest USD 100 million in new partnerships that advance a diverse health workforce by 2033. The company has added additional disclosure on the rationale and progress toward each of these commitments in this year's disclosure, further strengthening its impact reporting. We revisited our discussion from one year ago, focused on the company's "care gaps closed" objective. We again expressed our interest in additional disclosure on the types of care gap closed, split either by disease type or focused on the demographic mix of patients for whom care gaps have been closed. UnitedHealth highlighted health equity as an area the company itself has been seeking to better examine and seemed receptive to including additional disclosure on the type of care gaps closed split by socioeconomic characteristics. We also highlighted detailed KPIs disclosed by rival health insurer Humana, related to value-based care outcomes, which we suggested may also be beneficial for UnitedHealth to disclose in the future. UnitedHealth has included additional reporting on human capital management in this year's sustainability report. The company has further strengthened its offer to employees (e.g., increasing parental leave, improving health benefits, investing in employee well-being) and, combined with wider labor market conditions, this has contributed to voluntary turnover declining by around 4 percentage points from 18% in 2022. We highlighted additional transparency on the company's approach to business ethics and employee compliance (e.g., quantitative KPIs on code of conduct violations, substantiated allegations) and data privacy (e.g., information on ISO 27001 certification, or standards to manage information security) as two topics where existing disclosure could be further strengthened. The engagement allowed us to share our view of best practices on impact and request additional transparency from the company on its care gaps closed target. We also imparted our view on where the company could further improve ESG disclosures, namely in relation to business ethics and data privacy.

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.

Stanley Black & Decker (3rd Quarter 2023 Engagement)

Focus	Environment, Governance
Company Description	Stanley Black & Decker (Stanley) is a U.S. hand tools company.
Engagement Objective	We engaged with the company on governance and decarbonization.
Participants	From Stanley Black & Decker: VP, Investor Relations; General Counsel and Secretary; Investor Relations Representative From T. Rowe Price: Head of Corporate Governance; Investment Analyst; Responsible Investing Analyst
Engagement Outcome	We engaged with the company on a number of governance topics, including board composition and compensation. We provided feedback on its pay-related disclosure and expressed reservations about the use of organic revenue growth as a prominent weight in Stanley's short-term incentive plans. The company went through a major refresh of its decarbonization strategy and targets post-acquisitions/divestitures. Most notably, it has set up new targets by 2030 for absolute scope 1-2[1] emission and for scope 3 emission intensity versus a 2022 baseline. Stanley also has a new target for 67% of its suppliers by spend to have scope 1-2 science-based targets by 2027. We did not find any disclosures on the basis of the scope 3 emissions intensity target and suggested including it in the next ESG report to support annual tracking. The bulk of the company's emissions is scope 3 from the use of fossil fuels to power its tools and machines. Stanley has an electrification strategy that is currently focused on converting small gas engines to battery-electric, given available battery technology and the price/benefit effect on customer choices. However, electrification is getting traction for walk-behind mowers, and is expected to grow in the next few years for tractors and larger equipment. Stanley's electrification strategy works in tandem with its circular economy initiatives. The company is currently focused on sustainable packaging but is working on a specific circular design commitment to be disclosed by 2025; this will likely address the use of recycled clamshells for power tools and the recycling of batteries. Stanley's suppliers who have already set up scope 1-2 science-based targets are typically multinationals with robust decarbonization initiatives established pre-COVID. Overall, supply chain disruptions during the pandemic have weighed on suppliers committing to science-based targets. The company expects this to change and is confident to achieve its suppliers' targets by 2027 as it is renegotiating supply contracts with tighter environmental criteria. The company noted that its first Task Force on Climate-Related Financial Disclosures (TCFD) report would be published soon and its Equal Employment Opportunity Commission (EEO-1) report, containing demographic data about the company's workforce, would be published once the U.S. government starts accepting filings in the fourth quarter of 2023.

[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.

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	30	83.2	1,267	83.1
Orange	5	17.1	203	16.3
Red	0	0.0	5	0.5
Not in scope	0	0.0	5	0.1
Not covered	0	0.0	0	0.0
Cash	1	-0.3	0	0.0
Total	**36**	**100.0**	**1,480**	**100.0**

● No/few Flags ■ Medium Flags ▲ High Flags

The comparator benchmark of the Fund is the MSCI World Net Index. The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

RISKS - The following risks are materially relevant to the fund (refer to prospectus for further details): Currency - Currency exchange rate movements could reduce investment gains or increase investment losses. 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. Small and mid-cap - Small and mid-size company stock prices can be more volatile than stock prices of larger companies.

General fund risks - to be read in conjunction with the fund specific risks above. Equity - Equities can lose value rapidly for a variety of reasons and can remain at low prices indefinitely. 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. 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.

ADDITIONAL DISCLOSURES

Source: MSCI. MSCI and its affiliates and third party sources and providers (collectively, “MSCI”) makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. Historical MSCI data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

IMPORTANT INFORMATION

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