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T. ROWE PRICE FUNDS OEIC

Global High Income Bond Fund – ESG Report

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

As at 31 December 2022

ESG INTEGRATION APPROACH

- Our central mission is to help our clients reach their long-term financial goals and we believe that incorporating ESG factors into our investment process alongside financials, valuation, macro-economics and other factors is consistent with that objective. 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 environmental, social and governance factors into issuer valuations and ratings; and, second, with the portfolio manager as he balances these ESG factor exposures at the portfolio level. Both the analysts and portfolio manager are able to leverage dedicated, in-house resources to assist them in analyzing ESG criteria.

- Our ESG specialist teams provide investment research on ESG issues at the issuer 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).
  - 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 Global High Income Bond Fund seeks to generate alpha by focusing on proprietary, bottom-up research to identifying companies offering long-term performance potential. The Global High Income investment team examines each potential investment; each holding; and the entire portfolio with an approach deeply rooted in fundamental analysis along with a macro and industry top-down view. These processes naturally incorporate an analysis of each company's environmental, social, and governance factors and tend to yield an ESG-friendly portfolio. However, our Global High Income investment team collaborates closely with our ESG specialists to augment their work. 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 exposures to specific ESG factors or how these ESG factors may impact a company's business operations and market performance.

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.

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Cheniere Energy (4th Quarter 2022 Engagement)

Focus	Environment
Company Description	Cheniere Energy (Cheniere) is the largest producer of liquefied natural gas (LNG) in the U.S.
Engagement Objective	We engaged with the company for a discussion focused on climate strategy.
Participants	From Cheniere: Investor Relations, Vice President International Affairs From T. Rowe Price: Investment Analyst, Responsible Investing Analyst
Engagement Outcome	Our engagement focused on climate-related matters. Cheniere has made good progress on lowering its methane emissions — its methane intensity has fallen by two-thirds since 2016 and it already has one of the most efficient (and lowest greenhouse gas (GHG) intensity) fleets of LNG vessels globally. The company is working extensively to improve the reliability of emissions data both at its facilities and on its vessels as well as in its value chain as part of its quantify, monitor, report, verify program. Cheniere sees part of its role as providing solutions to its upstream value chain, e.g., providing the tools for exploration and production and midstream players to more reliably measure, monitor, and reduce their emissions. We asked the company about whether it had plans to set any GHG emission reduction targets or a net zero target. The company told us that it would not set a long-term emission reduction or net zero target until it was confident it had a pathway to achieve it. However, as part of the Oil & Gas Methane Partnership 2.0 (an initiative launched by the United Nations Environment Programme or UNEP), Cheniere has committed to set a methane emission reduction target within the next three years. We provided feedback to the company on the importance of setting GHG emission reduction targets, particularly for companies in the energy sector. We gave our views on best practices for articulating its climate strategy and for setting GHG reduction targets – our view is that the most credible climate strategies include short-, medium- and long-term term targets. In addition, we provided feedback on Cheniere's ESG reporting, and in particular the climate scenario analysis report that it published in 2021 – this was a helpful report and we appreciated the insightful qualitative discussion, but it could benefit from increased quantitative details. We also highlighted that disclosure of scope 3[1] emissions is helpful for investors, particularly for companies in the oil and gas value chain where the scope 3 footprint can be very significant.

[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).

Greenko (1st Quarter 2022 Engagement)

Focus	Environment, Social, Governance
Company Description	Greenko is an Indian renewable energy company, replacing fossil fuels with integrated decarbonized energy and grid assets through hydro, solar, and wind power.
Engagement Objective	We engaged with Greenko for a discussion primarily focused on its sustainability strategy.
Participants	From Greenko: Chief Sustainability Officer, Investor Relations From T. Rowe Price: Portfolio Manager, Credit Analyst, Responsible Investing Analyst
Engagement Outcome	The purpose of our engagement was to meet with Greenko's new sustainability team and provide feedback on the company's priorities from a sustainability perspective and to discuss the key pillars of its sustainability strategy. Greenko aims to be net zero by 2040 across scopes 1–3[1], and to be net zero on scopes 1 and 2 by 2025. As a pure-play renewables name, its scope 1 and 2 emissions are minimal and primarily relate to energy consumption in its own facilities. Greenko acknowledges that it needs to engage more with its upstream suppliers (especially steel) in order to achieve its scope 3 goal, and it expects to see tangible progress on scope 3 in the next three to four years. For parts of scope 3 (e.g., business travel), it will be able to progress more quickly. On water, Greenko is aiming to be water neutral by 2025. This will be achieved through a combination of (1) reducing consumption, (2) storage and reuse of water, and (3) returning water to groundwater after it has been used. In terms of how water availability might impact its run-of-river hydro assets, both the company and the Indian government are looking closely at hydrology to make sure that its assets will not be too severely impacted. In addition, the company is looking at how it might be able to use seawater in the future instead of freshwater. We asked the company about community relations in the context of large-scale hydro projects, which can involve displacing community members. The company's response was thoughtful, and it was clear that that it regards maintaining strong relationships with local communities as important. Greenko is working hard to improve gender diversity at its corporate offices. Although there has been some positive momentum, the overall proportion of women at the company remains low. Greenko believes that it has strong programs to improve gender diversity, but it will take time for these to feed through into the diversity data. The engagement allowed us to impart our views on which ESG topics we consider most material for the industry. We were pleased to see some progress (albeit fairly slow) in improving gender diversity at the company.

[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).

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. **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. **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.

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

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