

T. ROWE PRICE FUNDS OEIC

Global High Yield Opportunities Bond Fund – ESG Report

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

As at 31 December 2023

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 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.)
- Our Global High Yield Opportunities 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, 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.

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Altice (3rd Quarter 2023 Engagement)

Focus	Environment, Social, Governance
Company Description	Altice is a French telecommunications firm.
Engagement Objective	We engaged with the company to discuss a recent business ethics controversy; various environmental issues; and ESG governance.
Participants	From Altice: Head of Investor Relations From T. Rowe Price: Responsible Investing Analyst
Engagement Outcome	<p>We engaged with Altice to discuss a criminal investigation into Altice Portugal that came to light in July 2023. At the time, Portuguese prosecutors detained numerous company executives, including Altice's cofounder and former chief operating officer, following a multiyear probe into corruption, money laundering, and tax fraud, according to media reports. Our goal was to encourage disclosure on the company's probe into Altice Portugal and its directors. Additionally, we sought to get an update on environmental topics (e.g., energy and emissions) and ESG governance and to impart our views on ESG best practice.</p> <p>We sought to get a better grasp of the company's perspective of the criminal investigation unfolding in Portugal. In addition to the investigation by Portuguese officials, Altice is conducting an internal investigation in every region where the company operates. Results of both are still pending, and management expects to provide more information from the internal probe in its third-quarter investor call in November.</p> <p>Regarding ESG governance, the company explained that Altice International and Altice France are separate entities, each with their own dedicated ESG resources. Both entities have a carbon neutrality goal in place for scope 1-2¹ emissions but measuring scope 3 remains a challenge. At the group level, the board (mainly the chief financial officer) oversees ESG strategy. In terms of targets, net zero and the Science Based Targets initiative are part of the company's long-term plan. Altice France has set a carbon neutrality goal across scope 1-2 emissions by 2040 but relies on offsets, whereas Altice International has a carbon neutrality goal with an unclear timeline. Additionally, Altice France said it aims to provide full disclosure of scope 3 emissions by year-end and set some science-based targets by 2024.</p> <p>The engagement informed our investment research on Altice and gave us a better grasp of the reputational, financial, and regulatory risks facing the company. Our meeting also gave us an opportunity to impart our views on best practices on ESG matters.</p> <p>We will monitor the company's progress on our recommendations, which include the following: to disclose the results of the internal investigation into Altice Portugal, to align climate disclosure with recommendations contained in the Task Force on Climate-Related Financial Disclosures, and for Altice France to disclose scope 3 emissions. Moreover, we will monitor for the company to set science-based scope 3 emissions reduction goals and a net zero target.</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.

Golden Goose (4th Quarter 2023 Engagement)

Focus	Environment
Company Description	Golden Goose is a luxury sneaker and apparel company based in Milan, Italy.
Engagement Objective	We engaged with the company to discuss best practices on ESG disclosure; net zero; and sustainability certification for its cotton supply.
Participants	From Golden Goose: Chief Sustainability Officer; ESG and Sustainability Manager; Director, Investor Relations and Corporate Finance From T. Rowe Price: Responsible Investing Analyst, Investment Analyst
Engagement Outcome	<p>We engaged with Golden Goose to focus on energy and emissions and raw materials sustainability. The company's latest sustainability report aligns with international best practices of the Sustainability Accounting Standards Board and Task Force on Climate-Related Financial Disclosures and shows solid ESG preparedness and disclosure.</p> <p>Regarding emissions, Golden Goose has set science-based targets to reduce its absolute scope 1-2¹ greenhouse gas emissions by 70% and scope 3 emissions per pair of shoes manufactured by 40% by the end of 2030 compared with 2021. The company has also committed to increase its annual sourcing of renewable energy to 100% by 2024 at its owned facilities worldwide. Golden Goose has set a goal of attaining carbon neutrality (i.e., balancing the carbon emissions released into the atmosphere by its activities with the removal of an equivalent amount) by 2025. T. Rowe Price does not regard this as best practice, however, and we stated our advocacy for companies to set a science-based net zero target.</p> <p>On the matter of raw materials traceability, Golden Goose set a target to trace 100% of its main raw materials by 2025. Leather and cotton are the company's two main natural raw materials. The company has set a target to ensure 50% of purchased leather is Leather Working Group gold certified by 2024. For cotton, Golden Goose conducted traceability analysis on its cotton in 2022, which revealed that most of its cotton came from Turkey and Egypt (both high-risk locations) and a limited amount of organic cotton from India and Pakistan. The company has not yet set a sustainable certification goal for its cotton, which we regard as an important next step.</p> <p>The engagement allowed us to impart our views on best practices on ESG matters and gave us an opportunity to make several key asks (i.e., set a net zero target and a sustainability certification goal for cotton). We will continue to monitor Golden Goose's progress on these items in the coming years.</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.

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	
	No. of securities	% weight
● Green	133	60.7
● Orange	48	25.7
● Red	0	0.0
● Not in scope	20	9.1
● Not covered	0	0.0
● Cash	1	4.5
Total	202	100.0

● No/few Flags ● Medium Flags ▲ High Flags

SUSTAINABLE INVESTMENTS

The percentage of Sustainable Investments held within the Fund is 19.4%

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

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.

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