**ESG INTEGRATION APPROACH**

- The Euro Corporate Bond Fund uses ESG integration as part of its investment process. This means incorporating environmental, social and governance factors to enhance investment decisions. 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 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, 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 ESG team is embedded within our investment function and collaborates closely with fundamental analysts and portfolio managers. The team conducts quarterly portfolio reviews with the portfolio manager using our proprietary RIIM analysis in order to highlight any ESG issues or controversies, as well as to discuss the general ESG profile of the portfolio. This provides an opportunity for the investment team to share its views on issuers requiring further ESG analysis, areas for thematic ESG research, or candidates for future engagement. Our Euro Corporate Bond Fund aims to generate alpha through security selection based on bottom-up research. By drawing on our global research resources and analyst teams, we aim to identify positive idiosyncratic stories and names that can perform over the long term. As such, our primary emphasis is on company fundamentals, which include the consideration of environmental, social, and governance factors. We find that this long-standing investment philosophy tends to yield an ESG-friendly portfolio; 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.

- The fund is classified as Article 8 according to the Sustainable Finance Disclosure Regulation. Although the fund does not have sustainable investment as an objective, the promotion of environmental and social characteristics is achieved through the fund’s commitment to maintain at least 10% of the value of its portfolio invested in Sustainable Investments. The fund avoids issuers whose activities we may consider harmful to the environment and/or society through the application of our proprietary screen, the T. Rowe Price Responsible Exclusion List.

**INVESTMENT OBJECTIVE:** To maximise the value of its shares through both growth in the value of, and income from, its investments.

**INVESTMENT PROCESS:** The fund is actively managed and invests mainly in a diversified portfolio of corporate bonds that are denominated in euro. Although the fund does not have sustainable investment as an objective, the promotion of environmental and/or social characteristics is achieved through the fund’s commitment to maintain at least 10% of the value of its portfolio invested in sustainable investments, as defined by the SFDR. In addition to the E/S characteristics promoted, the fund also applies the investment manager’s proprietary responsible screen (the T. Rowe Price Responsible Exclusion List). The fund may use derivatives for hedging, efficient portfolio management and investment purposes. The fund may also use derivatives to create synthetic short positions in debt securities and credit indices. For full investment objective and policy details refer to the prospectus. The manager is not constrained by the fund’s benchmark, which is used for performance comparison purposes only.

This marketing communication is for investment professionals 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.
## Banca Transilvania (3rd Quarter 2023 Engagement)

<table>
<thead>
<tr>
<th>Focus</th>
<th>Environment, Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Description</td>
<td>Banca Transilvania is a large bank in Romania.</td>
</tr>
<tr>
<td>Engagement Objective</td>
<td>We engaged with the bank on financed emissions, sustainable finance, and governance.</td>
</tr>
</tbody>
</table>
| Participants | From Banca Transilvania: ESG Director; Corporate Governance Director; ESG Expert, Investor Relations  
From T. Rowe Price: Head of Governance, EMEA & APAC; Investment Analysts (2), Responsible Investing Analyst |
| Engagement Outcome | We engaged with Banca Transilvania (BT) to discuss the viability of setting financed emission reduction targets and to conduct due diligence on its blue financing opportunities. |

### Financed emissions

The bank is one of a handful of banks globally that have measured financed emissions across the entire balance sheet (excluding unsecured consumer lending and credit cards). The bank, however, flagged the calculations are based on estimates and want to gain confidence in these estimates before setting any targets. BT is looking to provide additional disclosure on the financed emissions tied to the agriculture, transportation, and construction sectors, and we recommended the bank set financed emission reduction targets. We also recommended it establish a framework to evaluate the credibility of clients' transition plans to bring it in line with global best practice.

### Sustainable finance

The bank received EUR 100 million from the International Finance Corporation (IFC) in 2022 to invest in blue projects in Romania, and it expects to allocate this capital by 2027. The IFC reported that Romania needs EUR 3 billion of private sector financing in blue-related projects by 2027, but the bank does not believe it has sufficient blue assets to issue a blue bond to finance this. The bank is considering publishing a sustainable financing framework by the end of 2023 ahead of a potential sustainable bond issue, where sustainable water may be an eligible category.

### Governance

We voted against the performance plan at the 2023 annual general meeting as the vesting period was less than three years. The bank explained that the performance plan had a three-year vesting period for middle management and five years vesting for top management, plus a one-year holding period, so the vesting period should not be an issue at future meetings. We shared our feedback relating to variable pay disclosure, and BT highlighted that it would look to disclose more on the key performance indicators. We asked whether the company would provide a separate agenda item to vote on the remuneration rate. The bank explained this was not possible as when the Shareholder Rights Directive II (SRDII) was transposed into Romanian national law to implement the say on pay requirement, the remuneration report must be placed within the Board of Directors’ report and cannot be presented separately.

We were pleased with the progress the bank has made to date in measuring its financed emissions, and we made disclosure and target-setting recommendations to bring the bank in line with global peers.
The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the SICAV sub-fund, and no assumption should be made that the securities identified and discussed were or will be profitable.
SUSTAINABILITY INDICATOR

The fund is classified as Article 8 according to the Sustainable Finance Disclosure Regulations (SFDR).

The sustainability indicator used by the fund is a minimum of 10% of the value of the fund’s portfolio held in securities that the investment manager identifies as sustainable investments.

The percentage exposure of the fund to sustainable investments is:

<table>
<thead>
<tr>
<th>Sustainable Investments</th>
<th>Target Minimum Exposure</th>
<th>Fund Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.0%</td>
<td>33.9%</td>
</tr>
</tbody>
</table>

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.

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.

Sector concentration - Sector concentration risk may result in performance being more strongly affected by any business, industry, economic, financial or market conditions affecting a particular sector in which the fund’s assets are concentrated.

Total Return Swap - Total return swap contracts may expose the fund to additional risks, including market, counterparty and operational risks as well as risks linked to the use of collateral arrangements.

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 SICAV, a Luxembourg investment company with variable capital which is registered with Commission de Surveillance du Secteur Financier 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 (KIID) and/or key information document (KID) in English and in an official language of the jurisdictions in which the Funds are registered for public sale, together with the articles of incorporation and 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. They can also be found along with a summary of investor rights in English at www.troweprice.com. The Management Company reserves the right to terminate marketing arrangements.

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.

DIFC – Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd which is regulated by the Dubai Financial Services Authority as a Representative Office. For Professional Clients only.

EEA – Unless indicated otherwise this material is issued and approved by T. Rowe Price (Luxembourg) Management S.à r.l. 35 Boulevard du Prince Henri L-1724 Luxembourg which is authorised and regulated by the Luxembourg Commission de Surveillance du Secteur Financier. For Professional Clients only.

Hong Kong – Issued by T. Rowe Price Hong Kong Limited, 6/F, Chater House, 8 Connaught Road, Central, Hong Kong. T. Rowe Price Hong Kong Limited is licensed and regulated by the Securities & Futures Commission. For Professional Investors only.

Singapore – Issued in Singapore by T. Rowe Price Singapore Private Ltd. (UEN: 201021137E), 501 Orchard Road, #10-02 Wheelock Place, Singapore 238880. T. Rowe Price Singapore Private Ltd. is licensed and regulated by the Monetary Authority of Singapore. For Institutional and Accredited Investors only.

Switzerland – Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. First Independent Fund Services Ltd, Klausstrasse 33, CH-8008 Zurich is the Paying Agent in Switzerland. Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich is the Representative in Switzerland. For Qualified Investors only.

UK – This material is issued and approved by T. Rowe Price International Ltd, Warwick Court, 5 Paternoster Square, London, EC4M 7DX which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

The sub-funds of the T. Rowe Price Funds SICAV are not available to US persons, as defined under Rule 902(k) of the United States Securities Act of 1933, as amended (“Securities Act”). The shares of the funds have not been nor will they be registered under the Securities Act or under any state securities law. In addition the funds will not be registered under the United States Investment Company Act of 1940 (the “1940 Act”), as amended and the investors will not be entitled to the benefits of the 1940 Act. Provided to global firms in the US by T. Rowe Price Investment Services, Inc.

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

202307-2991344
202310-3179495