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T. ROWE PRICE FUNDS SICAV

Global Allocation Fund – ESG Report

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

As at 30 June 2023

ESG INTEGRATION APPROACH

- The Global Allocation Fund benefits from the integration of ESG into the investment process of its building block strategies. We firmly believe the identification, analysis and integration of ESG factors add value to our global investment platform and will continue to dedicate resources towards this endeavor. T. Rowe Price has devoted considerable resources to building a dedicated Responsible Investing organization, which has dedicated ESG specialists that provide proprietary quantitative tools and research to support our fundamental research analysts and portfolio managers.

- 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 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.)

- ESG integration is an important part of the fundamental investment mosaic for the underlying investment strategies and helps us identify well-managed companies. It is an important part of our investment process and we continue to enhance and broaden our capabilities in this arena. At this time, we do not include ESG criteria at the multi-asset level portfolio construction process. However, the portfolio currently benefits from the integration of ESG into the investment process of its building block strategies. We firmly believe the identification, analysis and integration of ESG factors add value to our global investment platform and will continue to dedicate resources towards this endeavor.

- 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, over the long term, 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 bonds, shares and other investments from issuers around the world, including emerging markets. 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 currencies and debt securities. 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.

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.

Amazon (1st Quarter 2023 Engagement)

Focus	Environment
Company Description	Amazon is a leading e-commerce and cloud computing company.
Engagement Objective	We engaged with Amazon to discuss employee treatment and emissions goals, as well as how its sustainability priorities are shifting in a cost-cutting environment. We asked the company specifically to provide clearer messaging around its net zero target to enhance credibility.
Participants	From Amazon: Head of ESG, Associate General Counsel From T. Rowe Price: Director of Research for Responsible Investing, Responsible Investing Analyst
Engagement Outcome	We expressed our concerns around Amazon's net zero messaging. While the company is making progress (albeit with a few hiccups) on scope 1-2[1] emissions, we believe the messaging around its scope 1-3 target lacks clarity. The issue with the company's scope 3 emissions is that they are only incorporating narrow pieces of their value chain. Scope 3 emissions are broken down into 15 categories, and typically companies set scope 3 targets including the specific categories most material to their operations. Amazon has taken a different route by taking some elements of the standardized categories and combining them into customized categories. The lack of standardization makes it difficult to understand the scope of the company's reporting. Amazon was receptive to our constructive feedback for it to be more specific about what is in the methodology and what is not. We believe that Amazon has an ongoing dialogue with the Science Based Targets initiative (SBTi) to get its short-term, medium-term, and net zero targets validated and we believe it is important to Amazon to have a science-based target. The company explained that it has methodological differences that prevent its goals from being validated (SBTi is measuring Amazon against an industry bucket that the company believes is inappropriate). While we do not believe Amazon will have an SBTi validated target in the next few years, we would expect the company to upgrade the quality and transparency of its existing targets. Positively, it has hired a new vice president to focus on operationalizing the emissions reduction strategy. We have asked Amazon to disclose scope 3 emissions by category and upgrade the quality and transparency of its net zero target.

[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).

Samsung Electronics (1st Quarter 2023 Engagement)

Focus	Governance
Company Description	Samsung Electronics is a South Korea-based multinational electronics company, with dominant positions in semiconductor memory, smartphones, and televisions.
Engagement Objective	We engaged with the company on the issue of compliance.
Participants	From Samsung Electronics: Head of Investor Relations; Investor Relations representative From T. Rowe Price: Head of Governance, EMEA & APAC; Investment Analyst
Engagement Outcome	We engaged with the company in order to inform our voting at the upcoming annual general meeting (AGM). The company wanted to explain the context to the proposed item 3 of its AGM, which sets the envelope for the director remuneration. The new proposal limit is lower than it was three years ago, but 2023 is payment year one in the three-year cycle and, given the funds are distributed in a 50/25/25 split, it appears higher than the prior year. We agreed that this appeared uncontentious. The Compliance Committee has spent its time looking at related party transactions in 2022 and promoting more arms-length transactions. An example is the company's insurance provider is typically Samsung Insurance, because as the largest provider in South Korea, it can provide the best quote. However, the independent non-executives on the board have encouraged the company to look at other providers. Another area of focus has been a review of the provision of cafeterias which was put out to open bidding in 2022 at the urging of the Compliance Committee. There were no changes to the Compliance framework in 2022 except that the deputy Chief Compliance Officer was promoted when the Chief Compliance Officer moved to be the Head of Legal at Samsung Life Insurance. We asked the company to clarify the responsibilities of the Executive Chairman, appointed in October 2022. The company explained that there is no direct reporting relationship between him and the Board, although he will meet with the Board once or twice a year. His priority has been representing the Samsung Group at state events and meeting with key business partners to discuss long-term partnerships. He is not involved in the day-to-day operations of the business but works on medium to long-term strategic questions. Following the engagement, we voted FOR all items at the 2023 AGM.

SUSTAINABITY 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:

	Target Minimum Exposure %	Fund Exposure %
Sustainable Investments	10	27.92

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. **Credit -** Credit risk arises when an issuer's financial health deteriorates and/or it fails to fulfill its financial obligations to the fund. **Currency -** Currency exchange rate movements could reduce investment gains or increase investment losses. **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 securities -** 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. **Interest rate -** Interest rate risk is the potential for losses in fixed-income investments as a result of unexpected changes in interest rates. **Prepayment and extension -** Mortgage- and asset-backed securities could increase the fund's sensitivity to unexpected changes in interest rates. **Small and mid-cap -** Small and mid-size company stock prices can be more volatile than stock prices of larger companies. **Style -** Style risk may impact performance as different investment styles go in and out of favor depending on market conditions and investor sentiment.

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. **Equity -** Equities can lose value rapidly for a variety of reasons and can remain at low prices indefinitely. **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. **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.

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