T. ROWE PRICE FUNDS SICAV

Global Real Estate Securities Fund – ESG Report

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

As of 30 September 2024

ESG APPROACH

- The Global Real Estate Securities Fund uses environmental, social, and governance (ESG) integration as part of its investment process. This means incorporating ESG 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 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.)
- We are purely focused on investing in commercial real estate companies across the globe whose value is derived from the underlying assets that they own and control. We view ourselves as blue chip, high-quality commercial real estate investors, attempting to provide sound and diversified global real estate exposure. Our ESG integrated research-driven, bottom-up approach is the engine for our investment idea generation.
- 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 increase the value of its shares in 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 securities issued by real-estate related companies. The companies may be anywhere in 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 and efficient portfolio management. 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, 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.

Vornado Realty Trust (1st Quarter 2024 Engagement)

Focus	Environment
Company Description	Vornado Realty Trust is real estate investment trust (REIT) whose portfolio is concentrated in New York City.
Engagement Objective	We engaged with the company for a discussion focused on net zero, scope 3 emissions, green buildings, and local building regulations.
Participants	From Vornado Realty Trust: Chief Sustainability Officer; Human Resources representative; Chief Legal Officer From T. Rowe Price Associates, Inc: Responsible Investing Analysts
Engagement Outcome	Vornado is among one of the ESG leaders among U.S. office REITs, with a high proportion of green certified assets, a Science Based Targets initiative (SBTi) validated target for scope 1-2[1] emissions, and a 2030 carbon neutrality goal. It falls behind, however, in global best practice for not having a net zero goal or a goal to reduce embodied carbon. It has set a 2030 carbon neutrality target alongside the SBTi-validated target for its scope 1-2 emissions. Vornado explained that to meet its 2030 carbon neutrality target, it will reduce emissions by around 70% through efficiency and energy recovery measures but will be reliant on offsets for the remaining 30%. The company went on to say that offsets are required due to the energy mix of the grid. It still has a longer-term objective of net zero but is unwilling to set a 2050 net zero goal until it has better clarity on both guidance from the U.S. Securities and Exchange Commission and the electrification of the grid. Turning to scope 3 embodied carbon, Vornado has begun conducting life cycle assessments at several of its key properties, with the goal of measuring the embodied carbon tied to these developments. The company noted that all of its new developments will have embodied carbon targets and it intends to provide additional information on how it is reducing embodied carbon in its buildings in the upcoming ESG/Task Force on Climate-Related Financial Disclosures (TCFD) reporting. We also discussed green buildings. 97% of the company's portfolio is Leadership in Energy and Environmental Design (LEED)-certified as of year-end 2023 and the company said it was aiming for 100% certification by the end of the first quarter of 2024. Vornado explained that certified assets are required to compete in class A office space, with tenants seeing it as a minimum expectation. We wanted to understand Vornado's exposure to Local Law 97 (LL97), legislation introduced by New York City to limit carbon emissions from buildings and which comes into effect in May 2024. The company has a 5% ownership stake in one hotel that fails to meet the 2024 emissions thresholds and will therefore be subject to a USD 5,000 fine. Looking ahead to the 2030 thresholds, it is expecting a USD 1.8 million fine using today's building emission levels but expects this to drop to USD 700,000 if it were to meet its SBTi-validated target. It is conducting a tenant engagement drive to build awareness and reduce these emissions further. It is working closely with insurers to better understand its exposure to climate risks and how it can make its assets more resilient. Initial efforts have focused on leak protection programs, and it expects to provide additional information in its ESG report.

[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.

Equity Residential (1st Quarter 2023 Engagement)

Focus	Environment
Company Description	Equity Residential is an apartment real estate investment trust (REIT) with a portfolio of residential assets across the U.S.
Engagement Objective	We engaged with the company for a discussion on a number of environmental targets, net-zero, climate risk assessments, and green bonds.
Participants	From Equity Residential: Chief Financial Officer (CFO); Head of Sustainability; General Counsel; Investor Relations representative From T. Rowe Price Associates, Inc: Head of Corporate Governance; Equity Analyst; Responsible Investing Analyst; Governance Analyst
Engagement Outcome	Equity Residential recently came out with a new emissions reduction target (-30% in scope 1-3[1] emissions by 2030). We commended the company for setting a new emissions reduction target that is science-based and includes scope 3 emissions. Scope 3 emissions is a notable challenge for residential REITs, given the need to measure and reduce emissions tied to tenant use, so it was encouraging to see the company included these emissions in its target. That said, we discussed the target's level of ambition, with Equity Residential aligning it to a "well-below 2 degrees" scenario rather than the 1.5-degree scenario which is seen as best practice. The company explained that when it submitted its targets to the Science-Based Targets initiative (SBTi) for approval in 2021, "well below 2 degrees" was the market standard and expects to revise this target within the next five years, which we supported. The company also walked through how it will achieve this target, focusing on energy efficiency programs across all developments, installation of electric vehicle (EV) charging stations and off-site renewable options. Equity Residential has spent approximately USD10 million annually on green capital expenditure (capex) since 2011 and does not expect a huge difference in forecast capex spend. We discussed the company's willingness to set a net-zero emissions target. The CFO noted an upcoming (March 2023) board meeting where net-zero will be discussed and emphasized that net-zero is the direction it is going in. However, Equity Residential wants to ensure it has a robust roadmap to achieving net-zero before coming out with a target. Equity Residential conducted climate risk assessments in Boston and Los Angeles in 2021 and made a number of changes to its operating portfolio (e.g., landscaping changes, increased gutter cleaning, floodgate installation) following this analysis. The company has incorporated climate resilience into its asset acquisition and capital allocation decisions and expects to conduct a portfolio-wide climate risk analysis in 2023/24. On green bond issuance, Equity Residential has two green bonds outstanding and saw a 2-5 basis point pricing benefit in its last issuance. We spent time discussing the quality of its green bond framework as it scores poorly in our framework and the CFO noted some investor pushback in its recent issuance with regards to the Leadership in Energy and Environmental Design (LEED) Silver certification. We provided some recommendations on how the company can improve its framework (governance structure, the ambition of eligible projects, and management of unallocated proceeds). We were pleased that the company continues to strengthen its management of environmental risks, most notably setting a science-based emission reduction target that includes scope 3 emissions. We made a number of recommendations to the company to help bring its environmental targets and green bond framework in line with market best practice.

[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	54	96.3	353	98.3
Orange	2	2.1	4	1.1
Red	0	0.0	0	0.0
Not in scope	0	0.0	5	0.3
Not covered	1	0.7	2	0.3
Reserves	1	0.8	0	0.0
Total	**58**	**100.0**	**364**	**100.0**

No/few Flags Medium Flags High Flags

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

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:

	Target Minimum Commitment %	Fund Exposure %
Sustainable Investments	10.0	33.3
with Environmental Objectives	0.5	25.8
with Social Objectives	0.5	7.5

PRINCIPAL ADVERSE IMPACT (PAI) INDICATORS

Under the European Union Sustainable Finance Disclosure Regulations (SFDR), investment managers are required to take into account Principal Adverse Impact (PAI) indicators, a set of metrics that highlight the potential negative impacts on sustainability factors that result from investment decisions. This is integrated into our ESG analysis at a security level.

Some PAI indicators have limited data availability which may lead to misrepresentative values for the fund. In these cases, the metric vale and data coverage are displayed as n/a in the following tables.

In addition, the investment manager considers the following PAI indicators at an aggregate fund level. Metric values are shown in the Base Currency of the fund (USD):

PAI Indicator	Metric Description	Unit of Measurement	Metric Value	Metric Coverage (%)
10. Violations of UNGC principles and OECD guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Percentage of total invested	0.0%	99.2%
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of board members	Average ratio of female board members	33.7%	94.4%
14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Percentage of total invested	0.0%	98.4%

The table below displays the remaining PAI indicators as of the report date. These are displayed for reporting purposes. Metric values are shown in the Base Currency of the fund (USD):

PAI Indicator	Metric Description	Unit of Measurement	Metric Value	Metric Coverage (%)
1. GHG Emissions	Scope 1 GHG emissions	mtCO2e	84	97.9%
	Scope 2 GHG emissions	mtCO2e	274	97.9%
	Scope 3 GHG emissions	mtCO2e	1,279	97.9%
	Total GHG emissions	mtCO2e	1,637	97.9%
2. Carbon footprint	Carbon footprint	mtCO2e per mn invested	37.0	97.9%
3. GHG intensity of investee companies	GHG intensity of investee companies	mtCO2e per mn revenue	298.5	98.4%
4. Exposure to companies active in fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Percentage of total invested	0.0%	99.2%
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Percentage of non-renewable energy	73.0%	75.8%
6. Energy consumption intensity	Energy consumption in GWh per million of revenue of investee companies	GWh/mn of revenue	0.4	91.9%
7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	Percentage of total invested	0.0%	99.2%
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million invested, expressed as a weighted average	Ktons per mn invested	n/a	n/a
9. Hazardous waste	Tonnes of hazardous waste generated by investee companies per million invested, expressed as a weighted average	Ktons per mn invested	n/a	n/a
11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Percentage of total invested	3.4%	99.2%
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Percentage of pay gap	n/a	n/a

GLOSSARY OF TERMS

Metric coverage - The percentage of the portfolio for which PAI data is available
GHG - Greenhouse gas emissions
Scope 1 GHG emissions - Direct greenhouse gas emissions by the fund
Scope 2 GHG emissions - Indirect greenhouse gas emissions made by the fund
Scope 3 GHG emissions - All other indirect emissions that occur in the funds value chain
mtCO_2e - Metric tonnes of carbon dioxide equivalent
Carbon footprint (Scope 1,2 & 3 emissions) - The total greenhouse gas emissions per million invested in the fund
GWh - Gigawatt Hours
Ktons - Kilotonnes
UNGC - The United Nations Global Compact
OECD - The Organization for Economic Co-operation and Development
No data - no data is available or can be calculated for the indicator

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. Real estate - Real estate and related investments can be hurt by any factor that makes an area or individual property less valuable. 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. 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. 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. 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

Holdings-based analytics are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund’s accountant.

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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