T. ROWE PRICE FUNDS SICAV

US Large Cap Value Equity Fund – ESG Report

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

As of 30 June 2024

ESG INTEGRATION APPROACH

- The US Large Cap Value Equity Fund uses ESG integration as part of its investment process. means incorporating environmental, social, and governance factors to enhance investment decisions. Our philosophy is that ESG factors are components 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.)
- Our US Large Cap Value Equity Fund seeks to invest in relatively high-quality companies where the share price is depressed because of controversy in one form or another. When the process works as intended, our clients benefit as the perceived problem is addressed, earnings growth re-accelerates, the controversy is lifted, and often the valuation multiple moves higher as investors are more comfortable with the name. At times the source of controversy can be associated with poor past practices involving environmental, social, or governance-related issues. Companies with poor historical ESG track records are not automatically eliminated from our investment universe. Working collaboratively with investment analysts and our internal ESG resources, the strategy's portfolio managers develop an understanding of the key issues, consider their materiality, and assess the potential for improvement. To be considered seriously as an investment, we must determine the company has a credible plan to address past weaknesses. In our experience, companies focusing sharply on addressing previous deficiencies can be very attractive investments.
- 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, over the long term, through growth in the value of its investments.

INVESTMENT PROCESS: The fund is actively managed and invests mainly in a diversified portfolio of shares from large capitalisation companies in the United States that are selling at discounted valuations relative to their historical average and/or the average of their industries. 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.

Colgate-Palmolive (2nd Quarter 2024 Engagement)

Focus	Environment, Social, Governance
Company Description	Colgate-Palmolive is a consumer products manufacturer.
Engagement Objective	We engaged with Colgate-Palmolive to discuss its ESG oversight and climate strategy.
Participants	From Colgate-Palmolive: Chief Investor Relations Officer; Chief Sustainability Officer, Associate General Counsel From T. Rowe Price Associates, Inc: Responsible Investing Analyst
Engagement Outcome	We engaged with Colgate-Palmolive to provide feedback and suggestions on its ESG oversight and reporting. The company's sustainability team is overseen by the Group President for Growth and Strategy, who reports directly to the chief executive officer (CEO). A steering committee comprising most senior executive leaders, excluding the CEO, discusses sustainability matters. The Nominating Governance and Corporate Social Responsibility Committees provide board oversight. We suggested outlining board and executive oversight for ESG more clearly in the sustainability report (e.g., a basic organizational chart). The company was receptive to this feedback. We also suggested that the company integrate more key performance indicators (KPIs), which currently appear in a separate data appendix, in the sustainability disclosure. **Climate Strategy** Colgate-Palmolive has developed credible, Science Based Targets initiative (SBTi) validated 2040 net zero emissions targets for its operations and value chain. The company also publishes an annual climate report detailing its climate strategy approach. Renewable energy and supplier engagement are the two primary levers for the company to achieve its emissions reduction goals for scope 1-2 and scope 3[1] emissions, respectively. Colgate-Palmolive highlighted that it has developed its scope 1-2 strategy by building granular, site-by-site emissions road maps for its facilities. For its scope 3 footprint, the company has focused on improving data quality among its top 100 suppliers who comprise most of the scope 3 footprint. We suggested the company include more information on the key initiatives required to deliver against the emissions reduction pathway, as we think the relative importance of different drivers and initiatives to reduce emissions are not wholly apparent in the current disclosure. The engagement allowed us to impart our views on best practices for ESG disclosure. In the next year, we will monitor for improved transparency on ESG oversight and the company's emissions reduction strategy.

[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.

Western Digital (2nd Quarter 2024 Engagement)

Focus	Environment, Social, Governance
Company Description	Western Digital is a leading integrated provider of storage technology, specializing in hard disk drives (HDDs).
Engagement Objective	We engaged with Western Digital on governance, compensation, renewables, emissions, cybersecurity, and artificial intelligence (AI).
Participants	From Western Digital: Vice President (VP), Investor Relations and Financial Planning & Analysis; VP, Executive Compensation; VP, Securities and Corporate Governance; Director, Corporate Sustainability Strategy From T. Rowe Price Associates, Inc: Portfolio Manager, Head of Corporate Governance; Investment Analyst; Responsible Investing Analyst
Engagement Outcome	We engaged with Western Digital on a variety of ESG topics. We discussed the company's plans to adjust compensation before, during, and after the split of its HDD and Flash businesses. At the time of the FY24 compensation plan design, the committee was considering milestone metrics tied to the upcoming strategic review. However, the strategic review was finalized too late, so the committee decided without that clarity, milestones should not be included. The committee has shifted the focus of compensation from product-related metrics (such as exabyte chip metrics) to metrics related to cash conversion cycle and efficient working capital operation. There are also stand-alone performance metrics for individuals. Another standalone metric that will be used in compensation is reducing operational emissions (scope 1 and 2[1]) based on supply chain demand to lower carbon emissions. The committee has also decided to develop six-month plans instead of annual plans because targets for a full year would not align executives with the timeline of the company split. While the company mostly elaborated on its synergy milestones, we highlighted the relevance of process milestones in order to ensure potential weaknesses in financial controls, due to risks through the separation, are properly mitigated. Western Digital has a goal to run its global emissions on 100% renewable energy by 2030, which is a supporting goal for its 2032 scope 1 and 2 net zero emissions goal. The company is 4% ahead of its targeted trend line through the combination of onsite generation and virtual power-purchase agreements. Market conditions are challenging in APAC (namely Malaysia), but it has devised workarounds in these instances. Many semiconductor companies have goals related to their value chain, but given Western Digital is planning to split its businesses, we will see the company re-baseline both companies. However, the company is still committed to its existing Science Based Targets initiative (SBTi) goal to reduce scope 3 use-phase emissions per terabyte by 50% by 2030. We also asked the company to discuss its approach to preventing and mitigating cyber and ransomware attacks. Western Digital has experienced data breaches before, related to security vulnerabilities in hard drives that allowed hackers to remotely wipe user data. Provided that generative AI lowers the barrier of entry for cyber and ransomware attacks, we asked the company about its strategy to mitigate these harms. The company is conducting a double materiality assessment at present where data privacy and security are rising as key themes, and will publish this data as it comes available, likely within a year. We gained greater insight into the company's operational milestones before, during, and after the split of its HDD and Flash businesses to ensure that risks are mitigated and financial controls are intact. We also requested more information related to the company's cybersecurity strategy and will look to see how scope 3 emissions are rebased after the company split.

[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	59	78.7	690	80.6
Orange	18	19.6	152	18.1
Red	0	0.0	3	1.1
Not in scope / not covered	0	0.0	1	0.2
Reserves	1	1.7	0	0.0
Total	**78**	**100.0**	**846**	**100.0**

No/few Flags Medium Flags High Flags

The comparator benchmark of the Fund is the Russell 1000 Value Net 30% 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%	40.6%
with Environmental Objectives	0.5%	9.8%
with Social Objectives	0.5%	30.8%

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%	97.4%
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	35.1%	97.4%
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%	97.4%

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	43,742	95.6%
	Scope 2 GHG emissions	mtCO2e	6,867	95.6%
	Scope 3 GHG emissions	mtCO2e	752,160	95.6%
	Total GHG emissions	mtCO2e	802,769	95.6%
2. Carbon footprint	Carbon footprint	mtCO2e per mn invested	1,081.5	95.6%
3. GHG intensity of investee companies	GHG intensity of investee companies	mtCO2e per mn revenue	1,963.9	95.6%
4. Exposure to companies active in fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Percentage of total invested	17.0%	97.4%
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	67.8%	91.1%
6. Energy consumption intensity	Energy consumption in GWh per million of revenue of investee companies	GWh/mn of revenue	0.6	93.6%
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%	97.4%
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	4.1%	97.4%
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): 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. 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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