



T. ROWE PRICE FUNDS SICAV

Global Structured Research Equity – ESG Report

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

As at 31 December 2022

ESG INTEGRATION APPROACH

- The Global Structured Research Equity 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 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. 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 (i.e. number of accidents, carbon emissions, strength of whistle-blower programs);
 - ESG targets (i.e. plans to reduce carbon emissions, increase diversity, etc.)
 - ESG incidents and controversies (i.e. environmental fines paid, local community controversies/protests against a company, etc.)
- Capital is allocated to the analysts in proportion to the weight of the stocks the analysts follow within the MSCI All Country World Net Index. Subject to oversight by and the discretion of the directors of research/portfolio managers, each analyst makes buy and sell decisions within his or her coverage. The analysts overweight the most attractive stocks, underweight the least attractive stocks, and opportunistically add high-conviction, non-index securities from their coverage area. Relative position sizes are indicative of the analyst's conviction in each holding and are based on intensive, company-specific research that incorporates the ESG analysis provided by our ESG specialists.

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 widely diversified portfolio of shares of companies selected by T. Rowe Price's team of global research analysts under the supervision of the portfolio managers. 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.

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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.

Applied Materials (4th Quarter 2022 Engagement)

Focus	Environmental, Governance
Company Description	Applied Materials is a semiconductor manufacturing equipment company based in Santa Clara, California.
Engagement Objective	We engaged with Applied Materials to focus on various governance and environmental initiatives.
Participants	From Applied Materials: Investor Relations, Legal Affairs, Director of ESG, Compensation representatives (2) From T. Rowe Price: Head of Governance; Responsible Investing Analyst
Engagement Outcome	<p>We engaged with Applied Materials to discuss the outcomes of shareholder proposals and progress on emissions goals and water disclosure.</p> <p>On the governance front, a surprisingly high 47% of investors at the latest shareholder meeting supported a proposal to allow 10% of stockholders to request a special meeting (versus a current 20% threshold). T. Rowe Price sided with management on the issue, as we think it would be disruptive if it becomes easier for smaller shareholders to band together to demand meetings.</p> <p>Regarding energy and emissions, Applied Materials has a 50% reduction goal in scope 1 and 2¹ carbon dioxide emissions by 2030 from a 2019 base. The company is on track to achieve 100% renewable energy in the U.S. in 2022 through an investment in a Texas wind farm that has more than offset its U.S. footprint. The company is working on how to achieve its 2030 target globally. By year-end, Applied Materials plans to set and file science-based targets, including scope 3 emissions within the Science-Based Targets initiative (SBTi) for shorter-term targets. The company is holding discussions and conducting extensive modeling to see how it can achieve net zero.</p> <p>Regarding F gases, which have very high global warming potential (GWP), Applied Materials is trying to reduce its energy and chemicals usage in production. The company is working with an industry consortium, SEMI, on setting standards around chemicals and gasses.</p> <p>Water is an area in which Applied Materials is seeking to improve. Applied Materials has facilities in Santa Clara, California, and in Taiwan, both water-scarce regions. Because water availability is critical for research and development and technological innovation, it is among the more material environmental risks with which the company contends.</p> <p>The engagement allowed us to impart our views on best practices for net zero targets and environmental management.</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).

SBA Communications (4th Quarter 2022 Engagement)

Focus	Environmental, Social, Governance
Company Description	SBA Communications (SBA) is a wireless communications tower company based in Boca Raton, Florida.
Engagement Objective	We engaged with SBA to focus on various ESG issues, including bribery prevention; governance; diversity, equity, and inclusion (DEI); and net zero goals.
Participants	From SBA: Board of Directors member; Chief Financial Officer; General Counsel; Senior Vice President, Legal; Corporate Strategy; Corporate Sustainability From T. Rowe Price: Head of Governance, Responsible Investing Analyst
Engagement Outcome	<p>We engaged with SBA to discuss a range of topics, including how the company mitigates bribery and corruption overseas, stock-based compensation, and the company's classified board. Management also gave an update on the company's targets and changes in disclosure.</p> <p>We asked SBA to elaborate on how it mitigates bribery and corruption for its long-term contracts in countries known for these issues. The company interfaces with government officials by obtaining permits and approvals to install its towers, a process that varies worldwide but usually takes place at the city/provincial level. SBA has controls in place to manage bribes and only a few people who can handle cash for government officials. The company has country-specific protocols regarding what is legal and what is not related to training, background checks, and frequency of training.</p> <p>SBA said that having a classified board with staggered terms makes sense for its business model given the long-term nature of its tenant carriers. It also said that the structure ensures future success since it gradually introduces people to the board. We noted that a declassified board does not preclude SBA from having sufficient overlap in board succession and that T. Rowe Price as a matter of policy votes against select board members when a classified board has been in place for more than a decade.</p> <p>On the disclosure front, SBA has expanded its emissions reporting to include a full inventory of scope 3¹ emissions and submitted a net zero commitment to Science-Based Targets initiative. Management has implemented new training on DEI and unconscious bias worldwide. The company is increasing sites with International Organization for Standardization (ISO) certification.</p> <p>The engagement allowed us to have a constructive dialogue on a range of ESG topics and provide feedback on board structure and greenhouse gas emissions targets. Looking ahead, we will monitor SBA's intermediary targets and plans for a net zero commitment.</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).

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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.

Emerging markets - Emerging markets are less established than developed markets and therefore involve higher risks. **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.

IMPORTANT INFORMATION

Effective 1 October 2022, the fund changed its name from Responsible Global Structured Research Equity Fund to Global Structured Research Equity Fund.

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