ESG INTEGRATION APPROACH

- The Global Focused Growth 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 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. 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 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 companies we buy will typically have high quality characteristics as well, with this qualitative assessment based on our analysis of their future economic relevance. Our primary emphasis is on company fundamentals, which include the consideration of environmental, social, and governance factors. We find this process yields an ESG-friendly set of companies; 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 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 of companies that have the potential for above average and sustainable rates of earnings growth. 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.

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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.
**Prada (2\textsuperscript{nd} Quarter 2023 Engagement)**

<table>
<thead>
<tr>
<th>Focus</th>
<th>Environment, Social</th>
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<tbody>
<tr>
<td>Company Description</td>
<td>Prada is an Italy-based company engaged in the fashion industry.</td>
</tr>
<tr>
<td>Engagement Objective</td>
<td>We engaged with Prada on emissions reduction and net zero goals, supplier management, and supply chain traceability.</td>
</tr>
</tbody>
</table>
| Participants | From Prada: Sustainability Representatives (2)  
From T. Rowe Price: Responsible Investing Analyst |

**Engagement Outcome**

Following our last engagement with Prada in the second quarter of 2022, we engaged with the company to discuss the progress it has made across various areas of ESG.

We had identified what were, in our view, critical next steps for the company. These were (1) establishing emission reduction/net zero goals; (2) improving supplier management to include emission reduction, proper human rights, and other ESG due diligence; and (3) ensuring fuller traceability of supply chain.

Given the complexity of fashion supply chains, some of Prada’s ESG shortcomings are likely to take longer than one year to address, i.e., tracing leather suppliers, establishing a supply chain ESG monitoring process, and decarbonizing raw material production. Nevertheless, we feel the company has made adequate progress over the past 12 months, and it has also remained controversy free.

- Prada has set science-based targets for scope 1-3\(^1\) emissions, and begun the process of scope 3 decarbonization, with initial work with consultants and peers underway.
- The company has updated its supplier code of conduct (previous version was from 2007) to include sustainability and human rights topics. There is also now a human rights policy.
- The company has appointed two Board members with ESG experience and increased headcount in the group sustainability team by five.
- Supply chain traceability has improved, but this is still work in progress.
- Rollout of sustainability training for designers and procurement teams.

Next steps for Prada are to: complete the full traceability of suppliers, with a particular focus on mapping leather suppliers, which account for 60% of the company’s overall carbon footprint; leverage work with consultants and industry to implement carbon reduction plans with suppliers; roll out a new supply chain control process that will include environmental and social supplier performance ratings and monitoring process; and continue to upgrade to more sustainable raw materials, including further use of certified leather inputs (currently at 75%). We will continue to monitor the company’s progress.

\(^1\) 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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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.
## Meta Platforms (2nd Quarter 2023 Engagement)

<table>
<thead>
<tr>
<th>Focus</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company Description</strong></td>
<td>Meta Platforms operates a leading social media portfolio globally, with billions of daily active users across its four major properties—Facebook, Instagram, WhatsApp, and Messenger.</td>
</tr>
<tr>
<td><strong>Engagement Objective</strong></td>
<td>We engaged with Meta Platforms (Meta) on a range of governance matters ahead of the company's shareholder meeting.</td>
</tr>
</tbody>
</table>
| **Participants** | From Meta: Sustainability Representative, Investor Relations/ESG Representative  
From T. Rowe Price: Head of Corporate Governance |

### Engagement Outcome

- **Objective**: We engaged with Meta on governance matters including the re-election of directors and shareholder resolutions.
- **Outcome**:
  - T. Rowe Price Associates generally opposes the re-elections of the lead director and governance committee members (all non-executives) at companies where the insiders’ control is via dual-class stock with superior voting rights and there is no reasonable sunset provision. This remains the case at Meta, and, as usual, we opposed five directors.
  - We also discussed the 11 shareholder proposals Meta received. Due to its controversial social profile, the company is a magnet for advocacy groups. However, these proposals should not, in our view, be regarded as any real effort to improve the business for the benefit of the long-term investors. Given the insider control, it was understood from the outset that none of the proposals had any chance of passing.
  - The first proposals, submitted every year, asks the Board to dismantle the dual-class capital structure. This was the only resolution we supported.
  - Five resolutions addressed public policy types of questions: how the company handles government takedown requests, alignment of corporate values with lobbying activities, data privacy with regard to users’ reproductive health care information, and one proposal about “political entanglement” in India.
  - One resolution asked for additional reporting on child safety. Our assessment at the time was that the company already provides enough disclosure in this area.
  - Another resolution falls under a new movement in the U.S. called “shareholder commons.” These follow the theory that, since most shareholders are diversified, we would be better off if companies were less competitive with each other, sacrificing their own economics in exchange for (theoretical) societal benefits. Our perspective is that this runs contrary to prevailing fiduciary duty laws. This proposal asked Meta’s compensation committee to take into account the harm the company imposes on society as it determines compensation outcomes for executives. (Our view was that the proposal was flawed in multiple ways, one of which is that the chief executive officer does not receive compensation in this case). Excluding the insiders’ share, 24% of shareholders supported this idea.
  - Another resolution asked for additional disclosure on community standards of the oversight of the company’s various platforms. Meta already provides this.
  - The final proposal asked the Board to hire a third party to audit its risk and oversight committee. In our view, this type of proposal is inappropriate as it deals with the ordinary business of the corporation.
  - The engagement informed our proxy voting decision and allowed us to impart our views on best practices on governance topics.

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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>
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<th>Target Minimum Exposure %</th>
<th>Fund Exposure %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Investments</td>
<td>10.0%</td>
<td>46.0%</td>
</tr>
</tbody>
</table>

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. 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.
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