



# Building on Our Values

## Quick facts about our firm

As of December 31, 2014

Headquartered in Baltimore,  
Maryland, with offices in

14

countries around the world

Founded in

1937

Managing

\$692.4

billion in assets

Employing over

5,800

associates worldwide

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## ABOUT THIS REPORT

Accountability and transparency are fundamental to our business and, we believe, essential to building and maintaining trust and confidence in our firm. In line with our timetable of publishing comprehensive Corporate Social Responsibility (CSR) Reports biannually and updates in the intervening years, this report spans the 2014 calendar year unless otherwise noted and is a companion to our [T. Rowe Price 2014 Annual Report<sup>1</sup>](#) and [2014 Proxy Statement<sup>2</sup>](#). The information in this report reflects both the U.S. and international operations of T. Rowe Price Group, Inc., with financial data presented in U.S. dollars.<sup>3</sup> Together, they communicate our overall performance as an investment management firm as well as how our business conduct affects the community and the environment.

As we continue to strengthen and integrate our CSR efforts, we invite your feedback and welcome you to e-mail us at [CSR\\_Report@troweprice.com](mailto:CSR_Report@troweprice.com).

<sup>1</sup> [www.troweprice.com/annualreport2014](http://www.troweprice.com/annualreport2014)

<sup>2</sup> <http://trow.client.shareholder.com/financials.cfm>

<sup>3</sup> As of December 31, 2014.

T. Rowe Price, through its subsidiaries, is a global asset manager focused on delivering investment management excellence and retirement services that investors can rely on now, and over the long term. We provide separate account management, subadvisory services, an array of mutual funds, and recordkeeping and related services for institutions, retirement plan sponsors, advisors, and individuals. We believe that adhering to our principles—putting our clients' interests first; following an active, disciplined investment process rooted in proprietary research; and nurturing a collaborative culture where experienced professionals share insights in pursuit of durable solutions for clients—leads to better outcomes for our clients.

## A MESSAGE FROM OUR PRESIDENT

### Building on our heritage of integrity and values

Our firm has always engaged in our business guided by a set of values that our founder, Thomas Rowe Price, Jr., set forth more than 75 years ago—values which set a foundation for everything we do. In our first Corporate Social Responsibility Report (CSR) in 2011–2012, we began to share the story of our longstanding commitment to honoring and affirming these values. Today, I am pleased to present our 2014 report.

In this report, we continue to tell the story of our CSR efforts, including our dedication to conducting business responsibly for our clients; helping promote financial education for kids; and giving back to our communities through financial support, outreach, and volunteerism.

Our approach to CSR reflects our belief in the deep connection between our actions and the growth and development of the communities where we live and work. We know that our conduct as a corporate citizen has an impact far beyond our walls.

Our client-first philosophy attracts associates who possess a desire to help others and who believe that being part of a community means giving and serving. Our people are the reason we are able to successfully carry out a variety of community initiatives year after year. I am proud to say that in 2014, over 50% of our associates volunteered over 60,000 hours to nonprofits in our communities and pledged over \$1.5 million through our annual Workplace Giving Campaign.

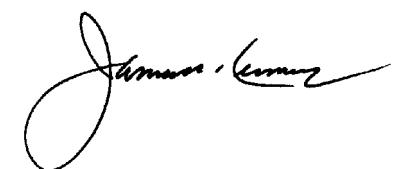
Building financial capabilities in our communities is a cornerstone in our commitment to social responsibility. Using proprietary research, we develop tools and resources that assist kids, parents, and educators in learning or teaching basic financial concepts.

In an effort to extend the reach of these tools and resources, we engage with national partners to help us positively affect those most in need in our communities. Last year alone our initiatives continued to have a direct impact in many communities, reaching over 750,000 children, parents, and educators.

Throughout 2014 we also concentrated on improving our results in other CSR focus areas, such as finding ways to use natural resources more efficiently and reducing our impact on the environment. Through programs aimed at making meaningful progress and with the help of our associates, we have made significant strides in waste reduction and recycling. For instance, though our associate population has increased by 30% since 2010, we have increased recycling by 79% and decreased landfill waste by 49% during that same time frame.

On behalf of our more than 5,800 associates worldwide, thank you for your interest as we continue to share our progress.

Sincerely,



**James A.C. Kennedy**  
CEO and President,  
T. Rowe Price Group

benefited from \$7.5 million in grants through the Foundation.

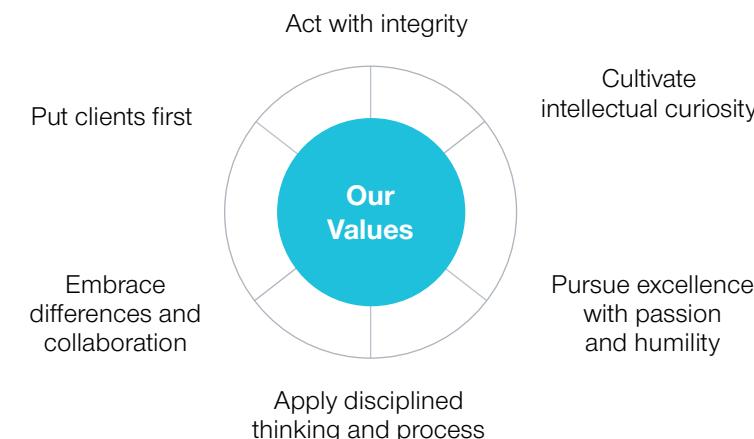
Looking ahead, we are excited about the momentum of our CSR work and look forward to building upon our accomplishments. Every day we strive to continue our legacy of being a good corporate citizen—always guided by our core values. And, as one of the largest employers headquartered in Baltimore, we are especially proud to be an integral part of our hometown. We continue to identify how the firm can provide resources to help address the city's urgent needs and long-term issues. We are committed to making a strong, positive impact on the local community now and in the future.

Finally, in this report, I am pleased to share the work of the T. Rowe Price Foundation, which is funded by donations from the firm. We are exceptionally proud of the long-term impact the Foundation's support has had in our communities. From its earliest days, the Foundation has been committed to advancing education, arts and culture, civic and community endeavors, and human services. In 2014, nonprofits

## OUR VALUES

Our values guide our behavior and shape our culture. They are embedded in the principles and practices that have served us well since our beginning.

They are also the foundation that supports us to help our clients achieve their long-term investment goals.



### Our approach to corporate social responsibility

"If we take care of our clients, they'll take care of us." Our founder, Thomas Rowe Price, Jr., articulated this principle decades ago, and we have been building on his vision ever since.

We believe that investing in the communities where we live and work goes hand in hand with our longstanding culture of putting our clients' needs first.

### CSR Focus Areas



Conducting Business Responsibly



Building Financial Capability in Communities



Empowering Our Associates



"At T. Rowe Price, CSR is part of our holistic view of conducting business the right way—from our core operations to our commitment to the communities where we live and work."

**Renee Christoff,**  
T. Rowe Price, Head of Corporate Social Responsibility





The newest buildings on our Owings Mills, Maryland, campus are designed to be friendly to the environment, earning LEED Gold certification, while offering associates a comfortable, professional atmosphere for collaboration.



## CONDUCTING BUSINESS RESPONSIBLY

We protect the long-term interests of our clients, associates, and stockholders by integrating responsible processes and approaches throughout our business efforts. In this section, we'll discuss our environmental, social, and governance (ESG) strategy and how it impacts related topics, including portfolio risk management, investment analysis, engagement with portfolio companies, and associate engagement.



"Environmental, social, and governance considerations are important to many of our clients when implementing their investment strategies. It relates to better governance, risk diversification, strong demographic trends, and climate change, as well as the increase in global prosperity. As we integrate ESG issues in our investment analysis and portfolio construction, we help our clients meet their goals."

**Wim de Ruijter,**  
T. Rowe Price Amsterdam, Relationship Management Mid-Europe

## MANAGING PORTFOLIO RISK

As a global investment management firm, we recognize the influence we have on social and environmental issues through our investment portfolios.

The central mission of our company is to help our clients reach their long-term financial goals through a thoughtful, disciplined approach to managing investments. Consistent with our mission, we have an obligation to understand the long-term sustainability of a company's business model and the factors that could cause it to change. We do this by



Principles for Responsible Investment  
(PRI) signatory since 2010.

“Integrating ESG considerations into our fundamental research has helped the firm identify well-managed companies that are leaders in their industries, more forward-thinking, better at anticipating and mitigating risk, and focused on the long term.”

**Bill Stromberg,**  
T. Rowe Price, Head of Equity

incorporating environmental, social, and governance considerations into our investment process.

ESG factors comprise a broad spectrum of considerations—positive and negative—that our investment analysts consider in the context of a given company, industry, or region of the world. They maintain primary responsibility for integrating ESG factors into their research using the following guiding principles: collaboration, accountability, fundamental research, stewardship, and materiality.

### Our Environmental, Social, and Governance Strategy



#### Collaboration

We believe companies, investors, and governments all have a role to play in improving corporate disclosures and strengthening the sustainability of business practices over time.



#### Accountability

Our investment analysts are responsible for assessing the full range of factors likely to have a meaningful impact on the company's performance, and they receive specialized resources and training to enable them to make these assessments.



#### Fundamental Research

We believe ESG analysis and engagement are most effective when led by experienced investors who know the company well and are best positioned to evaluate these considerations in the appropriate context.



#### Stewardship

We believe our responsibilities as diligent investors do not cease with the decision to purchase a security. We maintain regular dialogue with the management of companies held in our portfolio.



#### Materiality

We focus on the ESG factors we consider most likely to have a material impact on the performance of the companies in our clients' portfolios over their investment time horizons.

## We engage with portfolio companies in a variety of ways

Engaging with companies, we consider and analyze proxies and voting positions. Assessing a broad range of investment concerns (including environmental and social issues) is integral to our investment process. In our view, the following questions are, at their core, investment issues:

- Who represents shareholders on a company's Board?
- What drives the executive incentive program?
- How robust are shareholders' rights at the company?
- How is the company managing its environmental risks, human resources, facilities, stakeholder relations, and long-term access to critical resources?

Based on this view, our interactions are driven by portfolio management and supported by the expertise of our industry-focused analysts and our in-house specialists in corporate governance and sustainability. Our priorities in these efforts are tightly connected to our investment views on a company, so we conduct our company-level engagement activities privately. In contrast, we tend to collaborate with other shareholders on policy-level concerns, such as advocating with regulators for better disclosure or stronger shareholder rights.

After many years of dialogue with management and Board members of the companies in our clients' portfolios, T. Rowe Price's practice has focused primarily on two distinct levels of interplay.

#### Light Engagement

- ▲ High number of brief interactions
- ▼ Fewer resources devoted to each encounter

#### Light engagement

At this level, we hold hundreds of brief, direct conversations with companies over the course of each year, focused on issues that may fall outside the scope of our analysts' normal, ongoing due diligence meetings with companies.

Our objective in these conversations is to gather information about a specific topic of an environmental, social, or governance nature. It may be a general exchange of views on the topic, or it may be a conversation centered on an upcoming vote.

#### Heavy engagement

This heavier level is characterized by a deep investment of time and resources. These engagements are in-depth exchanges with a company's management or Board, often extending over more than a year. Typically, they are initiated with a formal letter to the Board, followed by multiple in-person meetings.

Our objective in this type of activity is to share our perspective with the Board about what we view as a significant impediment to our ability to meet our investment goals, and to explore ways to work constructively with the company to remove the impediment.

We believe our approach is best suited to our firm's resources and investment strategies.

#### Heavy Engagement

- ▼ Low number of intensive, often multiyear activities
- ▲ More resources devoted to each action

## How external factors influenced our investment analysis

While ESG considerations alone don't always tip the scale one way or the other when making our investment decisions, a recent example illustrates the significant role ESG issues and other factors can play within our investment process.

We were leery of several debt issuers in Russia, Brazil, and Mexico that practiced predatory lending—loaning money at high interest rates to ill-informed borrowers who could not service the debt.



## COMMITTED TO REDUCING OUR ENVIRONMENTAL IMPACT

We remain committed to conducting business in ways that have minimal impact on the environment. We believe that the long-term sustainability of our business requires forward-thinking environmental practices. Our environmental strategy is to balance operating a global business with

continuing to improve our environmental management capabilities, our ability to measure and report progress, and our capacity to increase associate awareness and engagement.

To guide this strategy, the Environmental Sustainability Committee, chaired by the firm's head of CSR, establishes priority

areas, evaluates progress, and reports results to the Management Committee.

In 2014, the Environmental Sustainability Committee developed the firm's first Environmental Sustainability Policy.<sup>4</sup>

## Environmental management

### Pursuing continuous improvement

Our environmental management capabilities are maturing, and as a result, we have invested in new tools to help us make more informed and timely decisions that support our goal of continual improvement.

Our structured environmental management process guides our approach for measuring, identifying, implementing, as well as reporting and evaluating new initiatives.

We believe this approach will help us effectively reduce waste and increase recycling throughout our facilities and establish more sustainable work environments.



### Reducing waste and expanding recycling

As a knowledge-based firm, our modest waste generation stems mostly from our office operations. By regularly assessing the firm's waste management practices and implementing improvements, we have made significant progress toward reducing waste and increasing recycling since 2010. We attribute this to the following initiatives:

- Utilized single-stream recycling programs in 98% of our office space, allowing for the convenient collection of a variety of recyclables in a single container.
- Extended composting in cafeteria operations to all owned U.S. facilities.
- Expanded our energy-from-waste program from our London office to our headquarters in Baltimore, Maryland. Twenty-seven percent of our associates now work in office locations that participate in this sustainable waste disposal program, which diverts waste from landfills to generate energy.

### Creating more sustainable workplaces

The Leadership in Energy and Environmental Design (LEED) building rating system is designed to promote construction and renovation practices that reduce the impact on the environment while creating a pleasant workspace. LEED certification is an important standard of measure that reflects the sustainability levels of our buildings.

Our goal with all new construction and major renovation projects is to

obtain LEED certification or other prominent certifications such as Building Research Establishment Environmental Assessment Method (BREEAM).

Currently, 32% of our real estate portfolio has achieved a sustainable certification, representing more than 630,000 square feet. Over the coming years we expect to achieve additional certifications as we work through a multiyear plan to renovate older buildings.

**400,000** square feet of progress

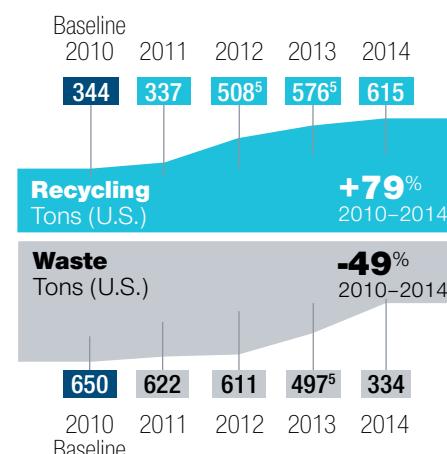
Our two newest buildings in Maryland—with over 400,000 square feet (SF) of office space—are the most recent to receive LEED Gold certifications.

<sup>4</sup> Due to improved reporting capabilities, we are restating results.

**-49%** waste reduction

Since 2010, we have expanded recycling while reducing our waste by 49%, amid 30% employee growth.

### Waste and Recycling



Our London office was awarded the BREEAM Good environmental certification.

The City of London recognized our London office for exceptional waste management and sustainability practices through its Clean City Awards Scheme.

<sup>4</sup> [www.troweprice.com/environmentalpolicy](http://www.troweprice.com/environmentalpolicy)

## Reporting and transparency

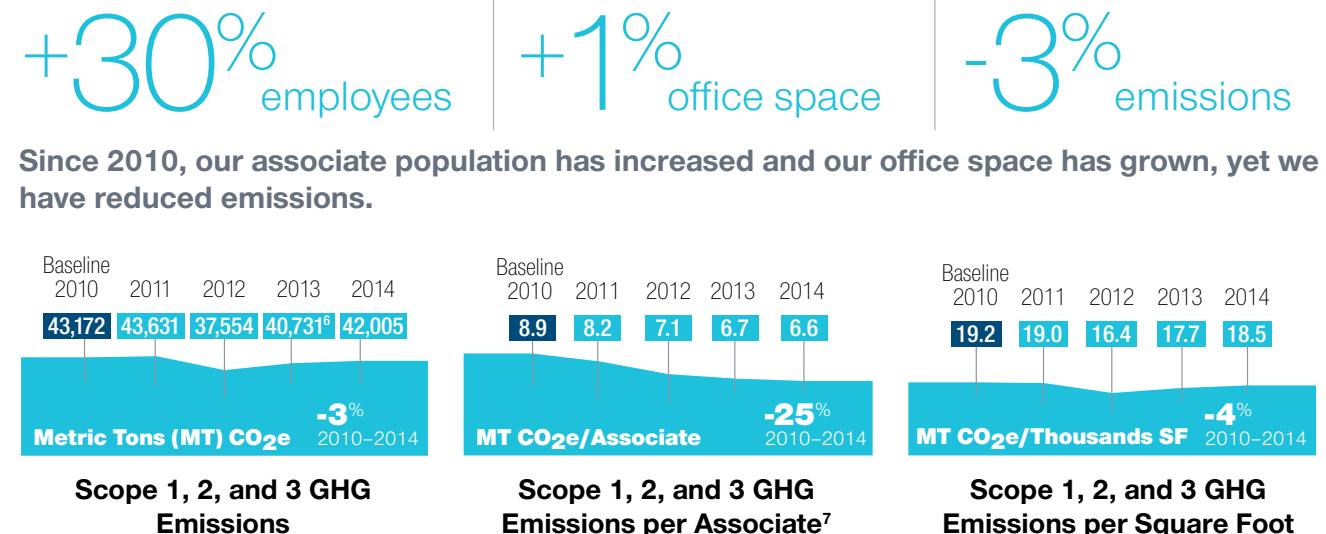
### Energy and greenhouse gas emissions

We have been measuring our global greenhouse gas (GHG) emissions since 2008 to better understand climate change risks and opportunities associated with our operations. We have significantly enhanced our data measurement and reporting capabilities by adopting new technology that allows us to measure the global impact of our real estate portfolio in the areas of energy, waste, and water consumption. This improves our ability to make faster short-term corrections and strategic long-term capital allocation decisions.

Total GHG emissions have decreased 3% since the 2010 baseline year. We have, however, experienced slight increases for two consecutive years. This is primarily due to the growth of

our associate population and expansion of our workforce into previously unoccupied office space. Growth of our real estate portfolio and associate population is the result of extensive forecasting and planning. We apply a similar approach to managing the environmental impact of our growth. Since energy consumption—specifically electricity—makes up 84% of our GHG emissions, we are assessing opportunities to reduce our electricity demand, such as the adoption of renewable energy sources.

To assess the quality and completeness of GHG emissions data, an independent third party verified 2013 and 2014 Scope 1, 2, and 3 GHG emissions.



<sup>6</sup> Due to improved reporting capabilities, we are restating 2013 results.

<sup>7</sup> Full-time employees and contractors.

#### Scope definitions:

Scope 1 emissions are the result of GHGs emitted on T. Rowe Price sites, either from directly burning fossil fuels in the buildings or on-site vehicles or from chemicals used in the buildings' ventilation and air conditioning equipment.

Scope 2 emissions are the result of energy that T. Rowe Price purchases but is generated elsewhere, such as electricity.

Scope 3 emissions are indirect emissions from sources that are not owned or controlled by T. Rowe Price but are related to business activities, such as employee travel.

### A note about our GHG calculations

Our calculations are based on the World Resources Institute/World Business Council for Sustainable Development Corporate GHG Protocol, the industry standard for GHG accounting and reporting.

In measuring global Scope 1 and 2 emissions, data were available for 97% of the firm's square footage. For the remaining facility space, we used estimates based on national building energy benchmarks.

We engaged third-party consultants to ensure that best practices were applied and high-quality data were collected.

Jones Lang LaSalle, a global real estate services firm, collected Scope 1 and 2 data for T. Rowe Price facilities.

ICF International, a professional services firm with expertise in carbon measurement and reporting, calculated GHG emissions inventory and comparisons.

CVenture, a third-party firm, verified the quality and completeness of GHG inventory data.

### Engaging associates

Since the 2011 launch of our first regional CSR committee in Florida, all of our major locations globally now provide associates with the opportunity to participate on a regional committee.

The committees follow an associate-led approach to identify opportunities based on local community needs, develop recommendations, and ultimately implement their ideas at their sites or within their communities.

One example of a CSR committee-led initiative is the creation of corporate gardens at two of our sites. We broke

ground for the first corporate garden in the spring of 2013 at our campus in Maryland. In 2014, our Colorado office followed suit with a garden of its own. Associate volunteers plant, water, weed, and harvest produce throughout the growing season. In addition to helping associates develop a valuable hobby, garden-fresh produce is donated to local organizations that distribute it to those in need. In 2014, the two gardens produced over 250 pounds of fresh fruits and vegetables for donation.

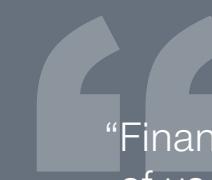


Erica Schneider, sustainability lead for the Colorado regional CSR committee, harvests carrots and potatoes from the corporate garden.



## BUILDING FINANCIAL CAPABILITY IN COMMUNITIES

We share our expertise in ways that build long-term financial competency. By helping people develop the capability to make sound financial decisions, we hope to improve the quality of life of individuals in our communities. In this section we spotlight innovative approaches to financial literacy, including results from our annual Parents, Kids & Money Survey.



“Financial education is a natural extension of us, our firm, and our business. We not only work to educate investors, but also the children, parents, and educators in our communities.”

**Meredith Callanan,**  
T. Rowe Price, Head of Corporate Marketing and Communications

A student tests out The Great Piggy Bank Adventure® mobile app.  
The game is one component of our Money Confident Kids® program.

## INSPIRING WISE FINANCIAL HABITS

When people apply good financial behavior, they can achieve fiscal stability and make wise money decisions that benefit their families and communities. As an extension of our mission to educate investors, building financial capabilities has become a cornerstone in our commitment to our communities and society as a whole. We do this through our Money Confident Kids® program, which focuses on three key areas: learning good financial habits early, having weekly talks about money matters, and improving educator confidence.

We use MoneyConfidentKids.com as our main vehicle for the distribution of our program assets, and we extend our reach through the firm's local volunteer programs as well as with national partners, such as Junior Achievement (JA), Walt Disney Imagineering, and the Council on Economic Education.

Our efforts garnered recognition from the Financial Communications Society, a nonprofit organization dedicated to improving professional standards in U.S. financial

marketing communications, and we were pleased to accept the following awards for our work in financial education:

- Gold trophy for best website—T. Rowe Price Money Confident Kids®
- Gold trophy for best mobile application—The Great Piggy Bank Adventure® mobile app
- Digital media best in show—T. Rowe Price Money Confident Kids®

**Kids save for college when parents discuss it with them:** 58% of kids whose parents frequently talk to them about saving for college say they are saving for college on their own, as opposed to 23% of kids whose parents do not frequently discuss college savings.

**Investment-savvy kids are even more likely to save for college:** 81% of kids whose parents frequently talk to them about investment vehicles like stocks and bonds say they are saving for

college on their own, as opposed to just 25% of kids whose parents do not frequently talk about investment vehicles.

**Kids identify themselves as "savers":** 60% of kids whose parents frequently talk to them about setting financial goals identify themselves as "savers" versus "spenders," as opposed to 46% of kids whose parents do not frequently talk to them about setting financial goals.

Many parents admit to having some reluctance to talk with their kids about financial topics, most often because they don't want their kids to worry about finances. To help parents have money conversations with their sons and daughters, we have developed a variety of resources available at MoneyConfidentKids.com. The site provides free online games and activities for kids; lessons for educators; and tips for parents to help families save for college and discuss the key financial concepts of setting a goal, saving and spending wisely, inflation, asset allocation, and diversification.

### We Focus on Three Areas to Improve Financial Education

#### Starting Young

Kids should start learning good financial habits by age 8 or as soon as they begin to notice that buying things is a part of life.

#### Money Talks

Encourage parents to talk to their kids weekly about money matters.

#### Confidence

Improve educator confidence in teaching financial concepts.



### Findings from our annual Parents, Kids & Money Survey

In 2014, we conducted our sixth annual Parents, Kids & Money Survey.<sup>8</sup> The survey is designed to help us gain understanding of the basic financial knowledge, attitudes, and behaviors of parents of children ages 8 to 14 and their children.

Survey results revealed that boys and girls are not equally prepared when it comes to learning about money matters at home. The survey also uncovered a correlation between talking to kids of either gender about financial concepts and kids developing positive financial behaviors, such as identifying themselves as a

saver rather than a spender, feeling confident about money, and saving for their own college education.

"Boys and girls should have the same opportunities to learn about money matters at home so they can grow into financially savvy adults," says Judith Ward, CFP®, a senior financial planner at T. Rowe Price and mother of two. "If you want to invest in your kids' futures, start by talking to them about money matters weekly. The correlation between the frequency of conversations about money and kids' smart financial decision-making is undeniable."

#### Findings on the impact of having money conversations

**Kids feel smarter about money:** 66% of kids whose parents frequently talk about family finances say they feel smart about money, as opposed to 37% of kids whose parents don't frequently talk about family finances. Additionally, 60% of kids whose parents frequently talk to them about budgeting feel they are smart about money, as opposed to just 34% of kids whose parents do not frequently talk with them about budgeting.

### Money Talk: Boys vs. Girls

Among other important findings, our 2014 Parents, Kids & Money Survey revealed that boys and girls are not equally prepared for their financial future.

#### BOYS

53%



say their parents are saving for their college education

45%



think they are smart about money

12%



have access to credit cards

58%



say their parents are talking with them about setting financial goals

#### GIRLS

42%



say their parents are saving for their college education

38%



think they are smart about money

6%



have access to credit cards

50%



<sup>8</sup> The sixth annual T. Rowe Price Parents, Kids & Money Survey, conducted by MarketTools, Inc., was fielded from January 29, 2014, through January 31, 2014, with a sample size of 1,000 parents and 924 kids ages 8 to 14. The margin of error is +/- 3.0 percentage points.

## NURTURING COLLABORATIONS SPARKED BY A COMMON VISION

### Strategic partnerships strengthen communities

While the results of our research help inform the wide range of projects we initiate to help strengthen our communities, we also recognize that it's a job we cannot do alone. That's why we are committed to working with other organizations to develop and expand outreach programs aimed at preparing kids for financial success.

In addition to our sponsorship of JA's national programs, associates across the firm volunteered with JA in their local communities to provide hands-on teaching of basic math and financial education concepts to program participants.

### Junior Achievement

T. Rowe Price and the T. Rowe Price Foundation continue to support financial education outreach programs with JA, a nonprofit organization that provides business, economic and financial literacy, and life skill programs to young people.

Through our partnership with JA, we engaged 10 sites across the U.S. in improving financial knowledge of kids using financial education games and tools delivered on the Web portal MoneyConfidentKids.com/JA. The engagement reached 18,000 people, and students showed a 26% average increase in knowledge of basic financial concepts after using the games on the portal.<sup>9</sup>

### Walt Disney World® Resort

As part of our ongoing collaboration with Walt Disney Imagineering, T. Rowe Price held a sweepstakes contest to promote The Great Piggy Bank Adventure®, a free online board game; a mobile app; and a hands-on, interactive exhibit at INNOVENTIONS in Epcot® at the Walt Disney World® Resort in Lake Buena Vista, Florida.

Because the sweepstakes was open to the general public, a wider audience had the opportunity to learn about the financial education resources and tools accessible from T. Rowe Price. The grand prize winner received a three-night family vacation for four to the Walt Disney World® Resort in Orlando, Florida. The trip included a special tour of The Great Piggy Bank Adventure® interactive exhibit at INNOVENTIONS at Epcot® prior to the exhibition's close in 2015 and a discussion with a CERTIFIED FINANCIAL PLANNER™ professional about saving for college.

### Building educator confidence

The T. Rowe Price Foundation funded the Maryland Council on Economic Education's Financial Literacy Institute to help elementary educators better understand financial concepts. Consequently, teachers

could integrate the concepts into their curriculum and meet standards recently mandated in the Maryland State Curriculum for Personal Financial Literacy Education. The institute engaged 80 teachers who

reached over 6,000 students with financial literacy lessons. The institute also influenced financial behaviors of the attendees, with teachers reporting a 75% increase in setting their own financial goals.<sup>10</sup>



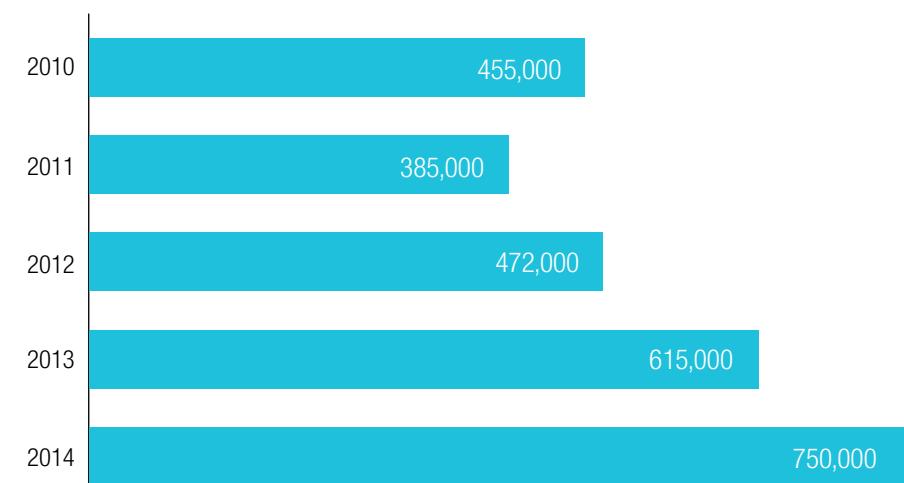
The T. Rowe Price Investor Center for teens is located at JA Biztown®, Maryland.



This fun interactive display is a feature of The Great Piggy Bank Adventure® at Epcot® at the Walt Disney World® Resort, Florida.

### Total Outreach

This graph shows the number of parents, children, and educators we reached to build core financial capabilities that we believe will contribute to more stable communities and a healthier U.S. economy.<sup>11</sup>



<sup>9</sup> Junior Achievement, "T. Rowe Price and The Great Piggy Bank Adventure® Visitor Research," January–May 2014.

<sup>10</sup> Maryland Council on Economic Education Financial Literacy Institute, "MCEE Financial Literacy Institute Teacher Survey Results," August 2014.

<sup>11</sup> Total reach of T. Rowe Price financial education websites, online games, apps, exhibits, programs with JA, and sponsored events.



Associates are encouraged to collaborate and share insights to ensure that we are harnessing our best thinking on behalf of our clients.



## EMPOWERING OUR ASSOCIATES

We value our associates and strive to create a culture that encourages diverse thinking, productive teamwork, and a sense of responsibility beyond the confines of the business. In the next section, we will discuss the programs we have in place to encourage and assist associates in realizing their professional and personal aspirations both at work and in the community.



“It is critically important that we provide an environment supportive of our associates’ aspirations, where differences and differing opinions are respected and valued and individuals are enabled to contribute to the success of our company and our communities across the globe.”

**James A.C. Kennedy,**  
T. Rowe Price, CEO and President

## ENABLING ASSOCIATES TO EXCEL

Our mission is to help our clients achieve their long-term financial goals. We believe our associates are the key to succeeding, and we are committed to enabling them to pursue growth, professionally and personally, and flourish to the benefit of our clients, the company, and our communities.

### Building on diversity and inclusion

We strive to ensure that every voice is heard—and valued. To us, diversity and inclusion (D&I) is an inherent aspect of our own values and integral to our success. To drive and support our work, we have created a D&I framework around three strategic pillars: talent, culture, and leadership. By utilizing this framework, we are able to attract and retain superior talent, create an environment where our associates can do their best work, and engage our leaders in championing our goals.

### Diversity and Inclusion by the Numbers



### Our Diversity and Inclusion Structure

#### Management Committee

Final decision-making body responsible for endorsing strategy, ensuring ownership and commitment among business leaders, and reporting progress to the Board of Directors on stated goals.



#### Diversity Advisory Council

Advisory and governing Board composed of business unit leaders responsible for overseeing and driving our D&I strategy; building ownership and commitment; and evaluating, assessing, and making recommendations to the Management Committee on critical issues—including monitoring and reporting progress.



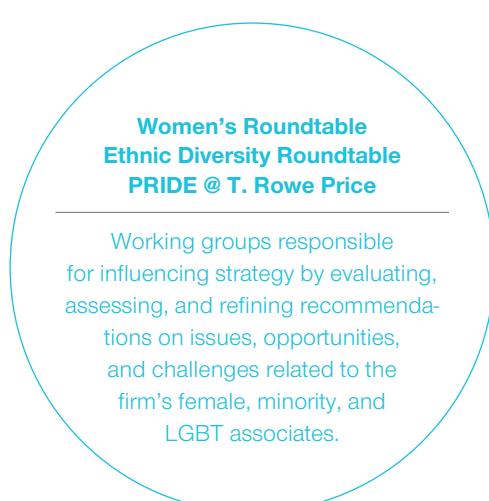
#### Human Resources D&I Team

Accountable for collaborating on shaping and executing strategy and are thought leaders responsible for consulting with stakeholders on best practices, trends, and metrics.



#### Business Units

Responsible for their own diversity action plans, which provide accountability for what will be achieved within each operating unit in the firm.



We recognize that we must continually and purposefully create an environment that encourages and nurtures a spirit of respect. To accomplish this, we created a formal accountability structure around diversity and inclusion that includes business unit leaders, human resources, and working groups. Together, they guide our D&I efforts.

Over the past year, we have made noticeable strides in our D&I programs and initiatives:

- **Talent:** Strengthened recruiting efforts to attract undergraduate and graduate talent through partnerships with diverse organizations and schools, including:
  - Robert Toigo MBA Fellowship
  - MBA JumpStart
  - Management Leaders for Tomorrow
- **Culture:** Earned the highest possible score of 100 in the Human Rights Campaign Foundation's Corporate Equality Index. The index scores companies in five categories: nondiscrimination policies, employee benefits, organizational competency and accountability around LGBT diversity and inclusion, positive engagement with the external LGBT community, and responsible citizenship.
- **Leadership:** Recognized for our Board diversity by *Black Enterprise* magazine.

### Continuing our journey

We will continue to focus on the strategic pillars outlined in our D&I framework with the goal of increasing the diversity of our associate population, with an emphasis on initiatives to increase our female and minority representation.

We realize we still have work to do, but we are excited to share our progress as we continue to carry out our commitment to more actionable D&I practices.

### New apprenticeships are an investment in the community's future



Around the world, we strive to enhance our communities by creating initiatives that support and align with our values. In 2014, as part of our investment in the London community, we began piloting a new apprenticeship program designed to help young people gain experience and training in the field of finance. The program, which currently hosts two student apprentices, is the result of a collaboration with

East London Business Alliance, an organization dedicated to bringing about positive change in East London.

While still in its infancy, this program is an important step toward strengthening the local community—aimed particularly at young people for whom attending a university is out of reach. "This effort has really helped us become more involved in our community. We now have a greater understanding of the challenges our young people face and have been able to offer two bright individuals a chance they may otherwise not have had," says Mandy Maskell, London CSR committee lead.

After completing their apprenticeships, students receive a National Vocational Qualification (NVQ) certificate. The NVQ is a work-based qualification in England, Wales, and Northern Ireland that recognizes a person's skills and knowledge for a particular job.

The students aren't the only benefactors. Our associates have expressed enthusiasm and excitement about interacting with the students and helping them grow throughout their 12-month tenure with the firm.

Based on the success of the pilot, the firm intends to roll out a larger, more sustainable program in the future.

## EXTENDING OUR VALUES TO THE COMMUNITY

Our core values flow seamlessly from the business decisions we make every day through our involvement in the communities where we live and work. It's who we are.

Our commitment to upholding and acting upon our values is evident in the spirit our associates display through providing financial support, volunteering their time, and sharing their expertise.

### Associate Impact in the Community

**\$4.2 million**  
in associate  
workplace giving

#### Financial Support

- Matching Gifts
- Annual Workplace Giving Campaign
- Holiday Giving

**51%**  
of associates  
volunteered in 2014

#### Time

- Volunteer Days
- Regional CSR Committees
- Paid Volunteer Time Off
- Volunteer Team Building

**300+**  
associates serve on  
nonprofit Boards

#### Expertise

- Skilled Volunteerism
- Pro Bono Consultation
- Nonprofit Board Service

### Financial support

In addition to volunteering our time and expertise, financial support plays an integral role in addressing the challenges that face many in our neighborhoods. As a firm, we believe we can accomplish more together than any of us can alone, and this idea is demonstrated through the generous financial support of our associates.

For over 20 years, our annual Workplace Giving Campaign has

provided associates with a convenient way to financially support causes that are important to them.

In 2014, with help from the T. Rowe Price Foundation, associates were given the opportunity to make an even greater impact on those in need by taking advantage of a dollar-for-dollar match by the Foundation, up to specified limits.

**23%**  
increase in pledges  
by associates through  
annual Workplace  
Giving Campaign

## Earth Week

The firm's annual Earth Week Celebration gives associates an opportunity to appreciate the Earth's resources and reflect on their own commitments to environmental sustainability. Each year, associates participate in the weeklong festivities.

- All associates received seeds to plant at home.
- Associates were given the opportunity to participate in recycling drives of less traditional items, such as electronics, eyeglasses, batteries, mobile phones, and shoes.
- Associates were encouraged to participate in company-sponsored outdoor cleanup volunteer events.



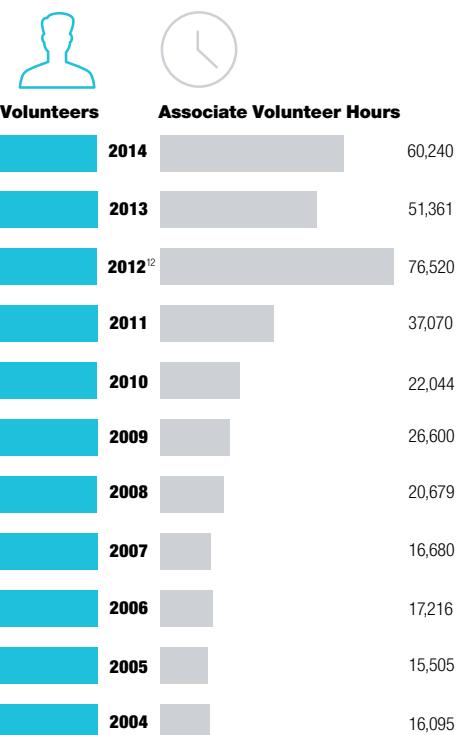
Tokyo associates planted vegetable and flower seeds on the veranda and at their homes.



London volunteers made benches from recycled concrete lintels and revamped the pool area at the Lambourne End Centre for Outdoor Learning, a small charity that provides outdoor learning opportunities for children to build self-esteem, confidence, and social skills.

## Associate volunteering

Associates offer their time and talent through a variety of activities. To promote and encourage volunteerism, the firm offers each associate one paid volunteer workday each year. In 2014, our associates volunteered over 60,000 hours through personal and company-sponsored volunteering.



### Sharing our expertise

Many of our associates go beyond traditional volunteer activities and choose to serve on Boards or in leadership positions for nonprofits. Born out of a desire to make a difference for a cause in which they believe, associates contribute their talents and skills, giving them a unique opportunity to affect an organization's ability to fulfill its mission.

Through their service, associates hone leadership skills by gaining exposure to challenges that require creative and diverse approaches. By connecting with and learning from colleagues who share their passion but may offer a different perspective or solution, associates benefit both personally and professionally through their collaboration.

<sup>12</sup> 2012 was a unique year for volunteerism. As part of our 75th anniversary celebration, associates were challenged to reach 75,000 volunteer hours, a goal they exceeded.



The T. Rowe Price Foundation directs a major portion of giving to in-school and after-school programs to enhance academic success and help build skills.

## T. ROWE PRICE FOUNDATION

Since its founding in 1981, the T. Rowe Price Foundation has worked closely with nonprofits to identify innovative solutions that improve educational outcomes for youth, empower individuals, and enrich community life. The following pages highlight some of the Foundation's community efforts as well as data on the direct grants and matching gifts over the past five years.



"We work closely with communities to bring about significant, sustainable change. It's a partnership that has always benefited everyone involved."

**Ann Alliston Boyce,**  
T. Rowe Price Foundation, President

## BUILDING PARTNERSHIPS, EMPOWERING COMMUNITIES

The T. Rowe Price Foundation is committed to working for the long-term success of communities where T. Rowe Price associates work and live. The Foundation pursues initiatives that spark change, focusing on grants to foster excellence in education; provide services to those in need;

and support public institutions that offer educational experiences in the arts, history, and the sciences.

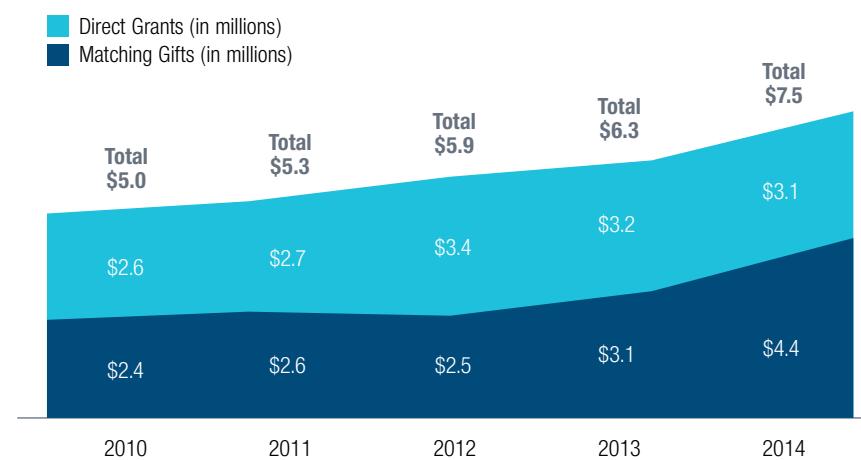
As part of T. Rowe Price's commitment to community outreach, the company encourages associates to support nonprofit organizations

through volunteerism and financial contributions. The Foundation helps associates maximize their charitable impact by matching their contributions up to certain annual limits and making grants to organizations where associates volunteer on an ongoing basis.

### Historical Giving

**\$83.7 million in total giving from 1981–2014**

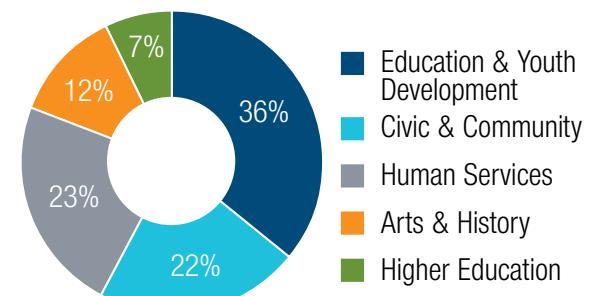
### Recent Giving: Five years of growth



Matching gifts grew by **45%** over the past five years and represented **59%** of giving in 2014

### Direct Grants

**190** organizations received direct grants in 2014



## Supporting the library's role as a community hub

### Enoch Pratt Free Library

For more than 25 years, the Foundation has supported the Enoch Pratt Free Library in Baltimore, Maryland, and its mission to "provide equal access to information and services that empower, enrich, and enhance the quality of life for all."

The library welcomed more than 1.7 million visitors in 2014 across 23 locations thanks to the diverse services it offers to the community. In addition to its traditional role of loaning books, the library offers free programs and computer access. A new Job and Career Center helps with job searches, resume writing, and interviewing techniques and provides e-mail access to job seekers.

The Foundation has been an active partner with the library in providing a wide range of educational and life opportunities for both adults and children:

- A \$250,000 capital grant (in 2008) helped upgrade technology offerings in two of the library's busiest branches
- A \$250,000 capital grant (in 2014) supported the addition of a new Teen Center to the central library, including state-of-the-art technology

The new Teen Center enables students to develop valuable skills for the digital economy by writing code, filming videos, and exploring robotics and computer-generated animation.

### Preparing students for business

#### University of South Florida

Since 2009, the Foundation has funded a program with the University of South Florida (USF) in Tampa that gives business majors experience in the corporate world.

The Foundation's grants support first-generation college students, and volunteers from T. Rowe Price's

Tampa office meet regularly with these students and provide opportunities to attend business meetings. This gives students a realistic feel for life in an actual business environment.

The program has been so successful that USF students and administrators visited T. Rowe Price headquarters in

### Pikes Peak Library

As part of its mission to build educational opportunities, the Foundation made a capital grant in 2014 to the Pikes Peak Library in Colorado Springs, Colorado, to support a new Children's Learning Center. The center promotes early childhood literacy, basic computer science concepts, and financial literacy. T. Rowe Price's online financial education game for children is offered in the computer lab.

Maryland to learn more about the firm. Two students who were part of the mentoring program now have full-time positions with T. Rowe Price.

**"Over the past 10 years, T. Rowe Price has become very involved in the success of our students on many levels. T. Rowe Price is an excellent partner, and we value the support."**

**Jackie Nelson,**  
University of South Florida, Senior Director of Undergraduate Studies

## Using art to bring new life to downtown Baltimore

### Station North Arts and Entertainment District (SNAED)

The Foundation's support of the SNAED is a prime example of how it supports strategic opportunities to promote the development and revitalization of our communities. SNAED is located in an area of Baltimore City that has suffered from significant disinvestment for many years. Over the past several years, this trend has been reversed through investment in a diverse collection of art spaces, galleries, row houses, and businesses.

SNAED has shown that artists bring a pioneering spirit to a community and can play a key role in strengthening a neighborhood and improving its residents' quality of life. To jump-start redevelopment of the area, the Foundation made several grants:

- A \$300,000 investment to support The Reinvestment Fund, which developed secure and affordable housing for artists in Baltimore at the City Arts Apartments. It was the first new residence built in the neighborhood since the 19th

century and won the National Affordable Housing Management Association's Affordable Housing Vanguard Award in 2011.

- A \$200,000 pledge to the Maryland Institute College of Art to help renovate its Graduate Studio Center building, which features exhibit galleries, academic space, and artist studios.
- Two grants to the nonprofit Station North Arts and Entertainment, Inc., to plan events and encourage visitors to the district.



The Station North Arts and Entertainment District located in Baltimore, Maryland.

## Promoting innovation in education

### Bard High School Early College (BHSEC)

Due in part to a one-time grant of \$100,000 from the Foundation, BHSEC will open its first school in Baltimore, Maryland, in the fall of 2015—one of seven nationwide.

BHSEC gives students in urban school environments an opportunity to accelerate their education. Students receive a high school diploma and an associate in arts degree from Bard College within four years at no cost to them or their families. All classes are taught by college faculty, with most holding Ph.D. degrees in their chosen field

of study. The rigorous course work needed to complete the program better prepares graduates to succeed in college and beyond.

BHSEC has achieved an impressive record of success—the 2014 graduation rates for its schools were 100% in New York, New York; Newark, New Jersey; and New Orleans, Louisiana.

### Project CYCLE

A \$100,000 Foundation grant helped bring Project CYCLE to Baltimore City elementary schools for a three-year pilot program.

Project CYCLE is an innovative pilot program designed to test the effectiveness of mentoring teachers through the use of video and an online platform that connects teachers with experienced coaches. This makes expert instructional coaching available to schools that cannot afford in-person training. Teachers receive meaningful feedback to strengthen their instructional skills and enhance classroom management to benefit student learning.



## ABOUT T. ROWE PRICE

### LEADERSHIP

#### T. Rowe Price Board of Directors

Our firm is governed by a Board of Directors, elected by the company's shareholders. The Board represents the ultimate decision-making body for the firm and is responsible for selecting, advising, and monitoring

senior management. The Board also reviews and establishes procedures to help ensure that the business upholds the highest legal and ethical conduct at all times.

#### T. Rowe Price Management Committee

The committee is composed of six members who are responsible for the firm's overall vision and leadership. [See our committee members' profiles](#) for more details.<sup>13</sup>



#### FRONT ROW

**EDWARD C.  
BERNARD**  
Vice Chairman

T. Rowe Price

**OLYMPIA J. SNOWE**  
Chief Executive

Olympia Snowe, LLC

**MARK S. BARTLETT**  
Retired Managing  
Partner

Ernst & Young

**ANNE MARIE  
WHITTEMORE**  
Partner

McGuireWoods LLP  
COPT Development &  
Construction Services, LLC

**DWIGHT S. TAYLOR**  
Retired President

#### BACK ROW

**ROBERT F.  
MACLELLAN**  
Non-Executive  
Chairman

Northleaf Capital  
Partners

**DR. FREEMAN A.  
HRABOWSKI III**  
President

University of  
Maryland,  
Baltimore County

**DONALD B.  
HEBB, JR.**  
Chairman

ABS Capital Partners

**BRIAN C. ROGERS**  
Chairman and Chief  
Investment Officer

T. Rowe Price

**MARY K. BUSH**  
President  
Dr. Alfred  
Sommers  
Dean Emeritus and  
University Distinguished  
Service Professor

Bush International, LLC  
Johns Hopkins  
Bloomberg School  
of Public Health

**JAMES A.C.  
KENNEDY**  
Chief Executive Officer  
and President  
T. Rowe Price

<sup>13</sup> <http://corporate.troweprice.com/ccw/home/about/leadership.do>

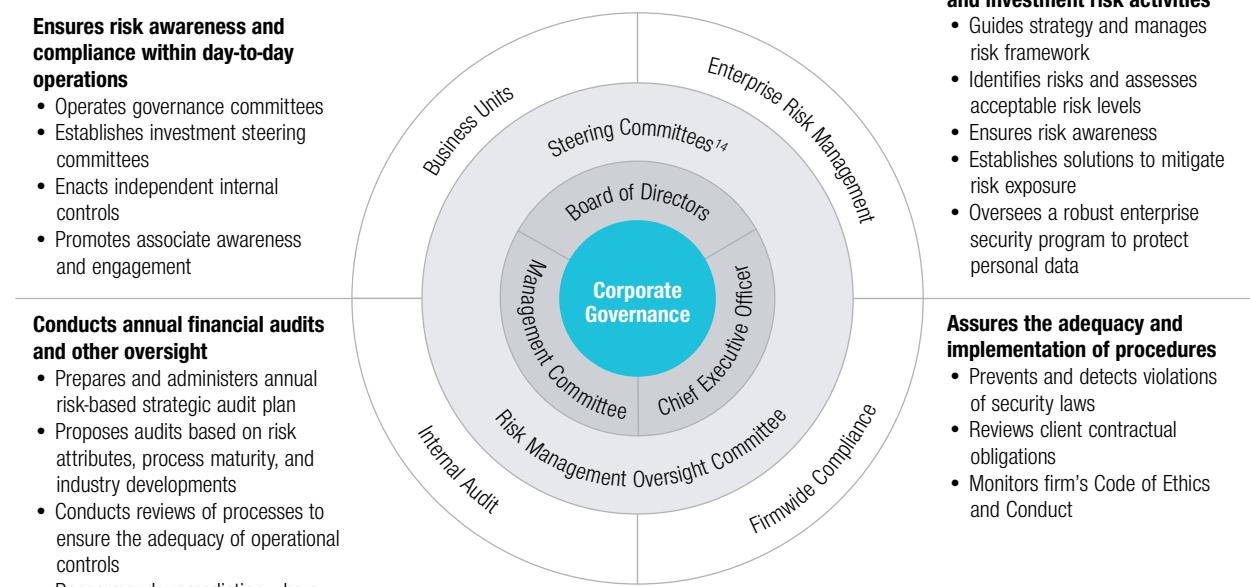
## A COLLABORATIVE APPROACH TO CORPORATE GOVERNANCE

We apply a disciplined process to investing, and our approach to corporate governance is no less rigorous. We have established a governance structure and processes to ensure stakeholders have confidence in our commitment to safeguarding their interests. While our senior leadership and Board of Directors are ultimately responsible for ensuring that the firm

adheres to sound corporate governance policies that align with both our values and those of our stakeholders, our associates carry out the firm's policies and strategies on a day-to-day basis—all the time maintaining the firm's reputation for integrity and service.

Our approach to corporate governance is centered on four key functions: business units, enterprise risk management, firmwide compliance, and internal audit—each of which performs its tasks in a highly collaborative environment. While the accompanying illustration demonstrates the structure and responsibilities, we'll discuss briefly how each operates.

### Corporate Governance Structure



For more information about our privacy policy<sup>15</sup> and security measures,<sup>16</sup> visit our website.

<sup>14</sup> Steering committees in addition to the Risk Management Oversight and Management Committees include: Ethics Committee, U.S. Equity Steering Committee, Fixed Income Steering Committee, International Steering Committee, Asset Allocation Steering Committee, Finance Committee, Management Compensation Committee, Product Strategy Committee, and Operational Steering Committee.

<sup>15</sup> <http://corporate.troweprice.com/ccw/home/privacyPolicy.do>

<sup>16</sup> <http://corporate.troweprice.com/ccw/home/privacyPolicy/securityMeasures.do>

### Steering committees

We have established a system of steering committees to oversee various aspects of risk management at T. Rowe Price. There are 10 committees in addition to the firm's Management Committee, which sets strategic policy and direction for broad activities of the firm. These include:

- Ethics Committee
- U.S. Equity Steering Committee
- Fixed Income Steering Committee
- International Steering Committee
- Asset Allocation Steering Committee
- Risk Management Oversight Committee
- Finance Committee
- Management Compensation Committee
- Product Strategy Committee
- Operational Steering Committee

- Business continuity risk
- Human capital risk
- Compliance risk
- Financial risk

efforts by partnering with business units to identify risks, understanding acceptable levels of risk, and implementing solutions that mitigate exposure to risk.

### Firmwide compliance

Our compliance program is designed to ensure we maintain sound compliance practices according to local laws and regulations as we expand globally.

The U.S. director of Strategic Compliance coordinates, oversees, and supports T. Rowe Price's overall compliance program. Our head of International Compliance, based in the UK, is charged with overseeing international compliance matters. This role is responsible for ensuring that the firm operates in accordance with the regulations of each individual country in which T. Rowe Price operates.

### Internal audit

Reporting to the Audit Committee of the T. Rowe Price Board of Directors, Internal Audit is managed by the head of Audit. The department prepares and administers an annual risk-based strategic audit plan that is reviewed and approved by the Audit Committee.

The department conducts reviews of our processes to ensure the adequacy of our operational controls and recommends remediation where necessary. Audit findings are provided to the head of the business unit responsible for each activity, the firm's Management Committee, and the Audit Committee. The findings require written responses from the pertinent responsible process owner, and Internal Audit monitors implementation strategies and resolution.

## FOSTERING A CULTURE OF INTEGRITY AND ETHICS

### Education and training keeps us true to our Code

Our commitment to always acting with integrity is formalized and reinforced through our Code of Ethics and Conduct, which has been in force for over three decades. The Code is applicable to all associates and directors of the company, as well as contractors, consultants, vendors, and temporary workers who perform ongoing services for the firm. All associates must participate annually in continuing education and training related to the Code. The intention is to promote honest conduct; full, timely, and accurate reporting; compliance with laws; and accountability for adherence to the Code, including internal reporting of any violations.

A copy of our Code is available upon request:

T. Rowe Price  
Attn.: Corporate Secretary  
100 East Pratt Street  
Baltimore, MD 21202

### Ethics Committee

The firm's Ethics Committee, whose members are appointed by the Management Committee, has overall responsibility for developing, maintaining, and administering the Code. As such, the committee seeks to identify and address activities that could create conflicts with the interests of our clients, associates, or the firm itself. Moreover, subject to the approval of the Management Committee, the Ethics Committee can and does impose sanctions for violations of the Code.

### Whistleblower program

We have an established whistleblower program that provides employees the opportunity to submit a complaint without the fear of dismissal or retaliation. The program is clearly and regularly communicated through the Code and through the firm's intranet site and is reinforced through annual training.

Complaints can be filed in writing or through a toll-free, 24/7 anonymous hotline. All complaints are directed to the chief legal counsel and are kept confidential to the strictest extent possible while allowing for a thorough investigation. Reporting structures are in place to track the date of complaint, the status, a description of the investigation, and the resolution.

### Anti-bribery policy

The values and global business practices of T. Rowe Price are expressly designed to help prevent bribery and corruption. As such, the firm maintains a strict compliance program designed to prevent illegal payments and to provide guidelines for associates regarding acceptable business activities. To ensure understanding and compliance, all associates are required to complete annual anti-bribery training.

### Policy on campaign contributions

We adhere to rules and regulations that limit the political activities of investment advisors that provide advisory services to government entities.

We do not make corporate contributions to political candidates, parties, or committees, nor does the firm maintain a political action committee. Employees are required to receive prior approval from the Legal Department for all political contributions in the United States.

## ENGAGING ON KEY INDUSTRY ISSUES

### Membership in public policy associations

We maintain memberships and participate in industry associations, including:

- American Benefits Counsel
- Australian Institute of Superannuation Trustees
- European Fund and Asset Management Association
- Financial Services Information Sharing and Analysis Center (FS-ISAC)
- Forum of European Asset Managers
- Hong Kong Investment Management Association
- Investment Adviser Association
- Investment Company Institute (ICI)
- ICI Global
- SPARK Institute
- UK Investment Association

At any time, a number of T. Rowe Price associates may be actively involved with these and other industry organizations through leadership roles or committee participation.

### Shaping policy through public forums

The firm's management regularly monitors and evaluates public policy issues affecting our business. We believe it is critical to play a role in enhancing the integrity and structure of our industry.

When appropriate, we engage with key lawmakers to help shape the laws and regulations they adopt. Over the years, we have focused our public policy efforts on many areas affecting our clients, including ensuring fairness and best practices in investment management, mutual funds, retirement savings, tax policies, and capital markets. Given that we are a global company, we are sensitive to international developments and the need for regulatory coordination and cooperation across jurisdictions around the world.

Leaders across the firm's business units, as well as our Legal and Compliance departments, work closely to determine whether, and in what way, to engage lawmakers, regulators, trade associations, or other third parties in the dialogue. Our advocacy methods include:

- Public comment letters
- Speaking engagements
- Educational meetings with industry groups, regulators, and policymakers

“Effectively participating in industry associations is another way that T. Rowe Price associates are able to ensure that our firm and indeed our industry put clients first by helping to ensure high standards of practice and seeking to positively influence the policy and regulatory environment. I seek to contribute to this on behalf of T. Rowe Price and our clients as a member of the Investment Company Institute's Global Steering Committee, a Board member of the UK Investment Association, and a member of the Forum of European Asset Managers' Steering Committee.”

**Robert Higginbotham,**  
T. Rowe Price, Head of Global Investment Services

## REWARDING ASSOCIATES, INVESTING IN OUR FUTURE

### Associate compensation

In our view, compensation is more than an overhead cost—it is an investment in talent. And to be effective, we realize our program must ensure external market competitiveness, internal equity, and pay for performance.

In that spirit, the T. Rowe Price compensation program rewards associates who are able to create lasting value for our clients without undue risk. For example, portfolio managers are compensated on several long-term factors, including the consistency of their portfolios' performance, rather than on short-term factors, such as asset growth or current assets under management.

In addition, to help align the interests of our associates with those of our stockholders, key executives are eligible for stock incentive plans that are subject to five-year vesting periods for all participants and certain “clawbacks” for the most senior executives if certain operating measures are not met.

The firm also offers associates an employee stock purchase program as part of a companywide total compensation program. As a result, 80% of our associates own T. Rowe Price stock.

For information on executive compensation, please [view our online proxy statement.<sup>17</sup>](#)

### Compensation Oversight and Governance



<sup>17</sup> <http://trow.client.shareholder.com/financials.cfm>

## ENSURING NEXT-GENERATION LEADERSHIP

### Succession planning

Succession planning is an integral part of our business continuity plan and critical to our long-term success. The firm's continued growth depends on our ability to identify and develop the right people to fill vital roles, reinforce our values, guide key business strategies, and direct new initiatives.

As with our disciplined investment style, we view succession planning with a long-term vision. Our succession plan is the result of well-structured, formal processes across the firm, including an ongoing evaluation and assessment of our talent pipeline. Our approach to succession planning flows seamlessly from our collaborative culture, coaching, and leadership development programs, creating invaluable opportunities for leaders across the firm to help grow and nurture other leaders and deepen our bench strength.

The Nominating and Corporate Governance Committees of the Board of Directors oversee the process for succession planning for the chief executive officer and other most senior officers of the firm. In addition, each business unit oversees and actively manages a succession plan for key management positions.

An example of our careful approach to succession planning is the planned retirement of James A.C. Kennedy, CEO and President after a 38 year career with the firm, nine years as CEO and President. The appointment of Bill Stromberg, head of Global Equity and Global Equity Research, by the Board of Directors as Mr. Kennedy's successor is the culmination of a thoughtful and planned transition of leadership. This event is consistent with our long history of thoughtful management transitions.



<b>Name:</b>	<b>T. Rowe Price</b>
<b>Prepared by:</b>	<b>Kevin L. Johnson, Cventure LLC</b> <i>Kevin L. Johnson</i>
<b>Emissions Inventory:</b> Corporate-wide FY2014 (January 1, 2014–December 31, 2014) GHG emissions inventory: Scope 1 direct emissions from fuel combustion, mobile sources, and refrigerant losses; Scope 2 emissions from imported electricity and steam; and Scope 3 emissions associated with employee business travel. Boundaries include owned/leased facilities within which T. Rowe Price exhibits operational control. CO <sub>2</sub> , CH <sub>4</sub> , and N <sub>2</sub> O direct combustion, electricity consumption, and mobile source combustion emissions, and HFC refrigerant gas emissions, were calculated; T. Rowe Price has no SF <sub>6</sub> or PFC emissions.	
<b>Greenhouse Gas Management Plan:</b> T. Rowe Price 2014 GHG emissions inventory and methodology were developed by ICF International, according to ICF's 2014 Corporate GHG Inventory excel workbook tool. Raw data collection activities for boundary determinations and characteristic and activity data were performed by T. Rowe Price and Jones Lang LaSalle.	
<b>Verification Approach:</b> Tier II of the ERT Standard: "Corporate GHG Verification Guideline" by ERT, prepared for U.S. EPA Climate Leaders. (Cventure's managing members are primary authors of the ERT verification standard.) Tier II-level verification is appropriate for basic reporting, and those voluntary efforts for which there are no imminent requirements for compliance obligations, as is the case for T. Rowe Price, as direct GHG emissions from each of their facilities are well below any existing or pending GHG regulatory requirements. It is intended to support baseline determinations and enable assessments of performance of GHG reduction initiatives by T. Rowe Price. Given the status of T. Rowe Price's GHG emissions inventory system, a Tier II-level verification was appropriate for this project. This verification effort covered T. Rowe Price's FY2014 GHG emissions inventory. Cventure's verification opinion statement is conditioned on the following findings described below.	
<p>The Tier II review was designed to provide a limited level of assurance that the GHG emissions assertion is materially correct; the ERT Standard was also followed on minimum thresholds for data sampling, documentary evidence review, testing and re-performance calculations, and analytical procedures. Detailed reviews of methodologies, calculations, and data management used in T. Rowe Price's inventory estimates were conducted. A site survey visit and data collection meeting was conducted at T. Rowe Price's Owings Mills, MD campus on March 31, 2015, with T. Rowe Price's GHG inventory manager and the Jones Lang LaSalle property manager/lead GHG data coordinator. Fourteen (14) facilities were selected for detailed reviews and data sampling, representing ~90% of T. Rowe Price's total GHG emissions inventory, with purchased electricity and natural gas monthly billing records being examined for each of them. Root audit data records were reviewed for travel agent-booked employee business air travel. Error checking tests were performed on the data to assess the information collected, including missing data, limits and reasonableness, units of measure (UOM), and re-computation cross-checks. The GHG emissions sources in all those detailed audit reviews represent &gt;90% of T. Rowe Price's entity-wide GHG emissions. No material errors or omissions were found in all those tests; several minor, immaterial discrepancies between root data documentation and the GHG inventory report were identified by Cventure during the verification; all of these were corrected by T. Rowe Price/ICF at that time. Boundary checks included reviews of the 2014 annual report, 10-K, and real estate database reports. CO<sub>2</sub> and HFC emission factors and select emissions calculations were checked. Emissions aggregation calculation checks were also made, and compared against inventory output reports. No material errors or misstatements were found in those types of checks. We believe our work provides a reasonable basis for our opinion.</p>	
<b>Opinion:</b> This effort included sampling and testing of GHG data and information, resulting in a limited level of assurance that there is no evidence that T. Rowe Price's GHG assertion is not presented fairly in accordance with relevant criteria. Cventure has verified the information provided by T. Rowe Price as being consistent with ICF's GHG inventory tool. Cventure found that the GHG inventory emissions estimate conforms to generally accepted GHG accounting standards, and is generally consistent with the WRI/WBCSD GHG accounting and reporting protocol. The emissions estimates were calculated in a consistent, transparent manner, and found to be a fair and accurate representation of T. Rowe Price's actual emissions, and were free from material misstatements or omissions. Cventure verified a total of <b>42,005</b> metric tons of CO <sub>2</sub> equivalent emissions ( <u>799</u> Scope 1, <u>35,845</u> Scope 2, and <u>5,361</u> Scope 3) with a limited level of assurance.	

## We welcome your insight and comments

We invite you to visit [troweprice.com](http://troweprice.com) for additional information about corporate social responsibility at T. Rowe Price and to access our Annual Report and other public filings.

To ask questions or provide feedback, please contact us at:

**T. Rowe Price Corporate Social Responsibility**  
**CSR\_Report@troweprice.com**



INVEST WITH CONFIDENCE®

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Baltimore, Maryland 21202  
(410) 345-2000 | [troweprice.com](http://troweprice.com)

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