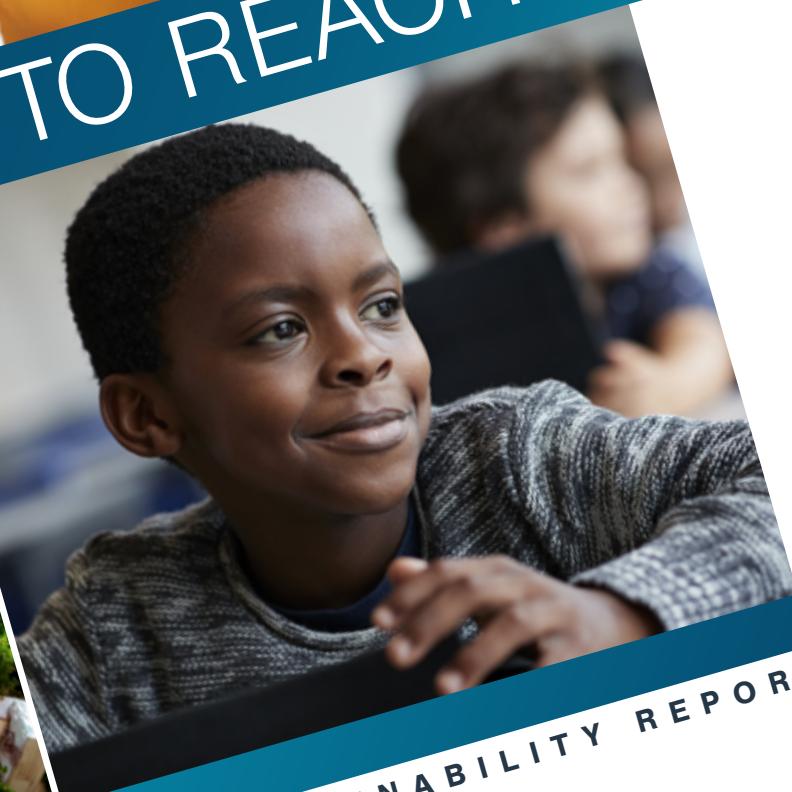




A RESOLVE TO REACH HIGHER



2020 SUSTAINABILITY REPORT



A RESOLVE TO REACH HIGHER

At T. Rowe Price, we recognize that sustainability is a journey. It is a continuous evolution that assumes economic, environmental, and social disruption as a constant. When we reach a goal, we can already see another momentous challenge on the horizon, and that compels us to reach higher.

Never have our challenges been tougher than in 2020—as a global pandemic, racial injustice, and social unrest impacted our lives. And yet the resolve of our associates to deliver results responsibly for our clients was stronger than ever. In this report, we are proud to share with our stakeholders our sustainability journey, the progress we continue to make, and a glimpse into our future plans.

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1.1

CORPORATE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) AT T. ROWE PRICE

At T. Rowe Price, we continue to reach higher in our sustainability story. The terms “sustainability” and “ESG” tend to be used interchangeably, but we believe “sustainability” is broader in scope and encompasses the three pillars of ESG, along with concepts such as “triple bottom line” (profit, people, and planet) and corporate social responsibility (CSR).

Therefore, we have made a conscious and deliberate decision to publish an annual Sustainability Report that provides a well-rounded picture of our organizational initiatives related to our corporate carbon footprint, our social and human capital, our business model, and our leadership and governance framework. The structure of the topics contained in this report is anchored in two frameworks: the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). We believe the combination of these frameworks provides a robust set of ESG disclosures.

This 2020 Sustainability Report contains information on corporate ESG topics and is part of T. Rowe Price’s suite of annual publications. We acknowledge that there are many ESG reporting standards, as well as different audiences and data needs. We aim to provide a transparent and thoughtful view of our commitment to sustainability across several publications, such as our [2020 Annual Report](#) and [proxy](#).

T. Rowe Price also publishes an [ESG Annual Report](#) focused on the firm’s responsible investing approach.

The ESG Annual Report details the firm’s comprehensive ESG investment integration, company engagement, and proxy voting activities for the year. For additional details on T. Rowe Price’s community engagement and CSR programs, please refer to the [“To Find Out More”](#) section in this report for links to publicly released information on our efforts since 2015.

1.2

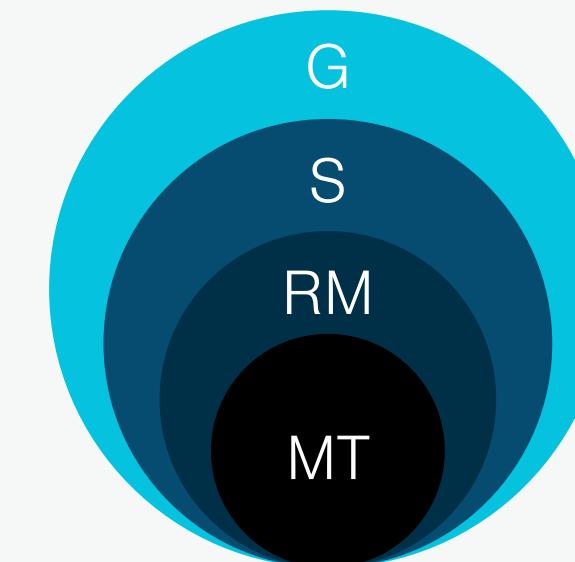
CONCEPTUAL FRAMEWORKS AT THE CORE OF OUR 2020 SUSTAINABILITY REPORT

At T. Rowe Price, part of the continuous evolution of our sustainability practices is the public reporting of our ESG performance in a decision-useful and readily accessible manner for stakeholders. With that goal in mind, we acknowledge the need for a uniform global standard of ESG disclosures and recognize that the industry is coalescing around the SASB standards and TCFD framework.

SASB standards are industry-specific disclosures of material sustainability issues that affect financial performance. This is the second year that T. Rowe Price will produce a report covering SASB’s topical recommendations for the asset management and custody activities industry, as follows:

- **Transparent information and fair advice for customers**
- **Employee diversity and inclusion**
- **Incorporation of ESG factors in investment management and advisory**
- **Business ethics**
- **Systemic risk management**

Core elements of recommended climate-related financial disclosures



Reprinted from “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures,” p. 11 (June 2017).

GOVERNANCE

The organization’s governance around climate-related risks and opportunities

STRATEGY

The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning

RISK MANAGEMENT

The processes used by the organization to identify, assess, and manage climate-related risks

METRICS AND TARGETS

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Both methodologies improve the consistency and comparability of disclosed ESG data, and we believe their pairing, along with the other financial and voluntary reporting mentioned in the preceding section, provide stakeholders pertinent and comprehensive information about our corporate ESG strategy.



Our 2020 Sustainability Report is guided by SASB’s reporting metrics for Asset Management and Custody Activities and incorporates the recommendations issued by the TCFD.

2 | A MESSAGE FROM OUR CEO



Without a doubt, the series of overlapping crises of 2020 have brought to the forefront the need to think holistically about sustainability and to show progress in diversity, equity, and inclusion (DE&I), community engagement, and climate change. This is a complex journey—yet we view a proactive and

transparent approach as essential to emerging from global crises with greater strength and resilience.

T. Rowe Price remains committed to our sustainability journey and reporting on our progress in a timely and transparent manner. Robust and comparable disclosures enable our clients and stakeholders to understand our ESG evolution. This report will be the first prepared in response to the recommendations of the TCFD and the second that will follow the SASB framework for the asset management and custody activities industry.

Climate change will remain a prevalent risk to businesses throughout the decade. As disclosed in our 2019 Sustainability Report, T. Rowe Price reached its previous greenhouse gas (GHG) emissions targets ahead of schedule. To reach higher in our commitment to environmental sustainability and the transition to a low-carbon economy, we have adopted a rigorous approach to curtail our corporate carbon footprint and set challenging goals for our scope 1, 2, and 3 emissions. This will not be easy, but it is essential to address the urgency of climate change.

In this context, we recognize that comprehensive corporate governance practices will be characterized by appropriate management of environmental and social risks. To that end, in 2020 our Board amended one of our committee charters to include climate change as a specific area

of focus. We believe this decision is indicative of the importance our organization gives to the threat of a changing climate.

While our commitments to climate action are decisive, they should not outshine the significant progress we have made in DE&I and the impact we have on our communities. To combat racial inequality and injustice, we must strive for greater representation of minorities in all areas of society and business—including at T. Rowe Price. Our priority is to increase our hiring, advancement, and retention of minorities and women—two underrepresented groups in asset management. For every open senior role at our firm, the goal is that at least 30% of the candidates interviewed will be ethnically diverse and/or female.

As the lasting effects of the global pandemic become a constant, there is value in recognizing the opportunities offered by post-pandemic life. We should recognize that the measures described above will not suffice – without innovation, our sustainability efforts will remain limited. With this mindset, T. Rowe Price has planned to relocate its downtown Baltimore operations in 2024 to two sustainably designed buildings at Harbor Point. As a long-standing anchor institution in Baltimore, Maryland, T. Rowe Price has been a convener to our various community partners, volunteering our time and awarding direct grants to causes that enhance the quality of life for all. Relocating to Harbor Point provides us the opportunity to deepen our commitment to our local community and allows us to custom design our buildings sustainably.

I look forward to taking the next step in our journey upward and onward toward a more sustainable future together.

Sincerely,

William J. Stromberg

Chief Executive Officer and Chair of the Board

3 | EXTERNAL ESG BENCHMARKS, SURVEYS, AND ALIGNMENT WITH INTERNATIONAL FRAMEWORKS

From a corporate standpoint, we monitor our ESG performance across several ratings and rankings providers. In each of the following, we outperform or are in line with our peer group.



SUSTAINALYTICS

19.5

In January 2021, T. Rowe Price Group Inc. received an ESG Risk Rating of 19.5 and was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.*



MSCI

AA

In 2021, T. Rowe Price Group, Inc. received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.**



CDP

B

Companies are scored on an industry-relative scale of A+ to F, with A+ being the best possible score. Our current score (B) is higher than the North America regional average of D, and the same as the Financial Services sector average.

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T. Rowe Price is a signatory of the United Nations Global Compact and supports its Sustainable Development Goals (SDGs). Our firmwide approach to sustainability has been increasingly informed by the SDGs, and we believe we are well positioned to drive progress in this space. Specifically, we have identified four goals on which T. Rowe Price has the greatest potential for impact: quality education (SDG4), gender equality (SDG5), decent work and economic growth (SDG8), and climate action (SDG13). We work to meet these SDGs in different ways. Wherever our efforts support these SDGs, the corresponding icon will be displayed in the appropriate section of this report.



WE SUPPORT

**SUSTAINABLE
DEVELOPMENT
GOALS**

4 | OUR CONTINUED RESPONSE TO THE PANDEMIC

The COVID-19 pandemic has underscored the links between sustainability and risk. This crisis has tested our ability to rise to the occasion and respond in real-time to challenges not previously considered likely to occur. Our firm quickly pivoted to adapt to the restrictions imposed by the pandemic, always focusing on how to best support our associates, clients, and communities:

ASSOCIATES	CLIENTS	COMMUNITIES
<ul style="list-style-type: none">➤ Prioritized and ensured our associates' well-being and safety by swiftly moving approximately 97% of our workforce to work-from-home arrangements.➤ Offered comprehensive health care, including coverage of COVID-19 testing and treatment.➤ Provided five additional wellness days, backup childcare and eldercare options, and 24/7 doctor visits via telemedicine.➤ Facilitated free counseling through our Employee Assistance Program.	<ul style="list-style-type: none">➤ Stayed close to clients through virtual meetings and Web-based content on global markets and personal finance.➤ Provided an "Insight Webinar Series" for institutional clients on topics such as CIO outlooks, health care, and energy.➤ Waived loan origination fees for 401(k) participants through December 31, 2020.	<ul style="list-style-type: none">➤ Stewarded a corporate collaborative to fund grassroots, community-based organizations working on child hunger during the pandemic and donating N95 respirator masks to local hospitals in Maryland, Colorado, and New York.➤ Delivered a nationally recognized trust-based community engagement model.➤ Provided direct grants and a capacity-building program to help strengthen local nonprofits and fill funding gaps.➤ Continued sponsorship support for nonprofit events.➤ Developed a webpage to provide learning resources to community partners and help them transition to a virtual environment.



"We were pleased to be able to donate the N95 respirator masks, which were purchased as part of our business continuity efforts in preparing for previous epidemics. Our health care providers had been working tirelessly on the frontlines, and we were glad to be able to support their selfless efforts."

Renee Christoff, head of Global Associate Engagement and Corporate Responsibility at T. Rowe Price



5 | SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

At T. Rowe Price, our commitment is to provide stakeholders with meaningful, relevant, and decision-useful sustainability information. Therefore, we use SASB standards to provide industry-specific disclosures of material ESG issues.

Improving sustainability disclosures and providing decision-useful information to our stakeholders is an ongoing, iterative process that we continue to evaluate and enhance. For instance, while we are following SASB's topical recommendations for our industry for the second year in a row, we have also enhanced our disclosures around DE&I this year. ([Please see Section 8.1 of this report for more information](#)).

All data in this SASB index is as of or for the year ended December 31, 2020, unless otherwise noted.

Asset Management & Custody Activities Sustainability Accounting Standard

The contents presented in this section of our Sustainability Report should not be interpreted as an opinion on the materiality or financial impact of this information. Please see our [Annual Report](#) on Form 10-K filed on February 11, 2021.

5.1

TRANSPARENT INFORMATION & FAIR ADVICE FOR CUSTOMERS

FN – AC – 270A.1

(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings

Eleven of our registered representatives (covered employees¹) employed as of December 31, 2020, had disclosures of investment-related investigations, client-initiated complaints, private civil litigations, or other regulatory proceedings.² This represents 0.6% of our total “covered employee” population as of year-end.

FN – AC – 270A.2

Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers

For the year ended December 31, 2020, T. Rowe Price did not sustain any monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers.

FN – AC – 270A.3

Description of approach to informing customers about products and services

We are considered a fiduciary to many of our clients. They always expect us to act in their best interests. It's critical that we provide timely information to our clients and prospects. Every communication must be:

- **Accurate**
- **Clear**
- **Balanced**
- **Not misleading in any way**

We distribute this information through various media, including troweprice.com, to almost 40 country-specific websites. Communications are tailored to each country's audience, which may include:

- **Institutional clients**
- **Consultants**
- **Retail clients**
- **Financial intermediaries**

Email and regular mail messages, along with in-person or virtual meetings, are the foundation of our communication strategy. In addition to our website, we are expanding our social media footprint through several channels.

Our sales and marketing communications are reviewed by specially trained associates to ensure the communications comply with local regulatory requirements and firm policies for the intended audience. These associates also confirm that risks are clearly stated—not minimized—and that content is not too complex for the intended audience. All communications are produced in the appropriate language. We are committed to ensuring our data collection, use, and disclosure practices are transparent by publishing updated Privacy Notices on our websites, applicable for each region.

We recognize that availability is key. Therefore, we've made the following product-specific documents available on our websites and through links in product-related emails:

- **Fund prospectuses**
- **Key investor information documents**
- **Annual reports**
- **Other legal documents relevant to the products and the countries where they're distributed**

We maintain written policies and procedures that form our compliance manuals. This applies to all T. Rowe Price advisers. Depending on an associate's responsibilities, and/or location, he or she may need to register with the

relevant securities authority. For example, in the U.S., as a securities representative and/or a principal, with FINRA and appropriate state regulatory agencies through our broker-dealer, T. Rowe Price Investment Services, Inc.

We also maintain written supervisory procedures (WSPs) to stay in compliance with applicable rules and regulations. These WSPs require associates to:

- **Submit their fingerprints to FINRA**
- **File an application for registration as an agent (Form U4)**
- **Pass all qualifying examinations**
- **File all required registration updates in a timely manner**

In the U.K. and E.U., associates may be subject to minimum knowledge and competence standards and/or other fitness and propriety standards to engage clients. These requirements stem from Markets in Financial Instruments Directive (MiFID) and, from a U.K. perspective, are contained in the Financial Conduct Authority (FCA) Handbook.

Because we have always believed that honesty, candor, and fairness are the best approach, we maintain a robust Code of Ethics and Conduct, which includes firmwide expectations on how to treat clients. It ensures that we avoid conflicts of interest and that we comply with local regulations and industry best practices everywhere we do business.

ADDITIONAL INFORMATION

- Advisory clients can also find our ADV forms at adviserinfo.sec.gov.
- Our [Code of Ethics and Conduct](#) sets out basic principles to guide employee conduct. Our code is supported by other policies, programs, and employee training.
- Certain T. Rowe Price advisers are registered with the U.S. SEC and their Form ADVs are publicly available.



5.2

EMPLOYEE DIVERSITY & INCLUSION

FN – AC – 330A.1

Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees

Despite the challenges of 2020, we continued to look across our entire organization for ways to reach higher in diversifying our workforce and promoting racial equity and justice. With that in mind, we made significant progress on our DE&I efforts, particularly in attracting and retaining diverse associates and fostering an inclusive culture for all.

Investing in these efforts is in the best interest of our associates, clients, and the communities where we work and live. Our diversity makes us stronger and more resilient for the future. And we will continue to do more.

While we acknowledge that SASB seeks to measure diversity and inclusion, we want to reference our journey

and highlight that we have deliberately chosen to add “equity” to our global D&I vernacular. We always have had a mindset of equity in our strategies and programs, and it is important that we formally enunciate our commitment.

For more detailed information on our policies and programs for fostering equitable employee representation across our global operations, please refer to [Section 8](#) of this report, “Our Associates, Our Culture.”

The table to the right shows a breakdown of gender representation globally and of racial/ethnic group representation for U.S. employees.³

MALE

EEO Classification	Hispanic or Latino	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	Total
1.1 Executive/Senior Level Officials and Managers	1	60	4		6			71
1.2 First/Mid-Level Officials and Managers	18	542	32	1	41		11	645
2 Professionals	62	1,499	124	4	393	3	49	2,134
3 Technicians								
4 Sales Workers	19	203	19		13		4	258
5 Administrative Support Workers	42	399	115	2	24	1	22	605
Total	142	2,703	294	7	477	4	86	3,713

FEMALE

EEO Classification	Hispanic or Latino	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	Total
1.1 Executive/Senior Level Officials and Managers	2	36	2		2		1	43
1.2 First/Mid-Level Officials and Managers	20	489	58		32		10	609
2 Professionals	49	944	168	2	158	1	31	1,353
3 Technicians								
4 Sales Workers	1	61	8		2			72
5 Administrative Support Workers	57	516	274	2	38	3	40	930
Total	129	2,046	510	4	232	4	82	3,007

5.3

INCORPORATION OF ESG FACTORS IN INVESTMENT MANAGEMENT & ADVISORY

FN – AC – 410 A.1

Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening

Virtually all strategies at T. Rowe Price incorporate ESG risk considerations into the fundamental investment analysis used to build portfolios; therefore, nearly all our assets utilize ESG integration.

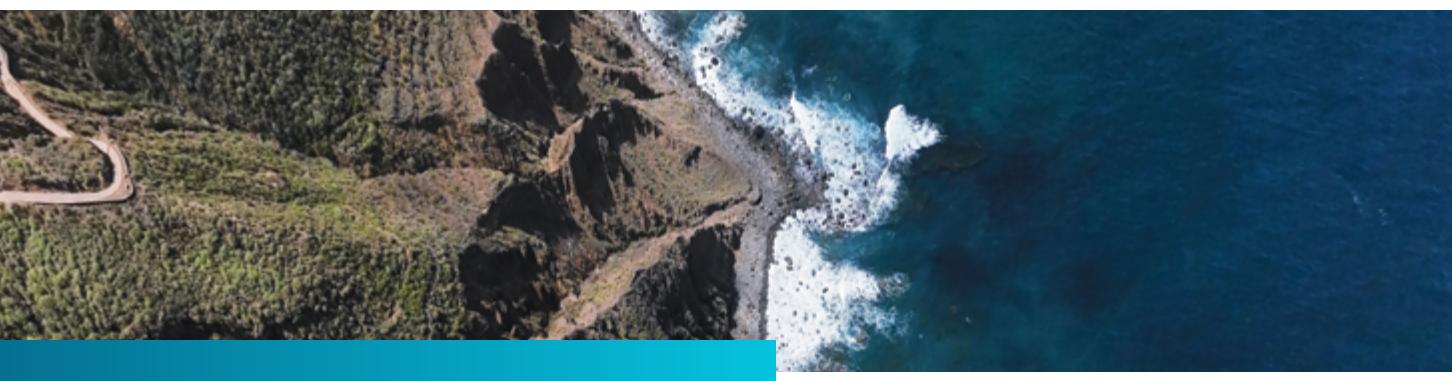
As of December 31, 2020, \$67.7 billion assets (118 funds/accounts) were deemed to be socially responsible, accounting for 4.6% of our \$1.47 trillion in assets under management.⁴ Our criteria for a fund or account to be deemed socially responsible is that it needs to apply exclusion lists aimed at ESG considerations. Many of these assets are separate accounts, which allow our clients to choose specific exclusions that align with their values.

We have a range of Responsible strategies that seek to outperform their broad market comparator benchmarks while also excluding companies that do not align with the

Socially Responsible Investment Assets Under Management⁵

\$49.8B	EQUITY
\$17.9B	FIXED INCOME
\$67.7B	
TOTAL	

values commonly identified by our clients. We impose values-based parameters to these portfolios via the overlay of our proprietary Responsible Exclusion List. The list includes controversial weapons, tobacco, coal, assault-style weapons for civilian use, adult entertainment, and gambling, as well as companies that we place on the conduct-based component of the list.



FN – AC – 410 A.2

Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies

ESG analysis is integrated into our fundamental investment process. ESG factors are considered along with such traditional criteria as financials, valuation, macroeconomics, and industry category. Our analysts and portfolio managers are responsible for incorporating ESG into their investment decisions.

Our in-house ESG resources comprise responsible investing (RI), which covers environmental and social factors, governance, and regulatory research. Together, these teams help our investors identify, analyze, and integrate the ESG factors most likely to have a material impact on an investment's long-term performance. We have 14 investment staff dedicated to ESG efforts at the firm, in addition to a proxy voting team.

RESPONSIBLE INVESTING

Our dedicated RI team conducts analysis on the environmental and social profiles of individual securities and portfolios. The team also assists with company engagement and supports our investment professionals by providing research on sustainability topics. Our RI resources have been in place since 2017. Prior to developing our own in-house research, our analysts and portfolio managers were able to leverage ESG research from Sustainalytics, which had been embedded in our research management systems since 2014.

GOVERNANCE

T. Rowe Price has had dedicated governance resources since 2007. The team assesses governance issues among existing and potential investments and provides insights for analysts and portfolio managers. It assists with company engagement, facilitates proxy voting, and participates in leading governance initiatives in the asset management industry.

We also have a technology team dedicated to supporting our ESG efforts. They play a key role in the enhancement and expansion of our proprietary research tools for analysts and portfolio managers to leverage across more asset classes.

Our proprietary Responsible Investing Indicator Model (RIIM) is a valuable component of our deep, fundamental research. RIIM builds an environmental, social, and ethical profile of corporate entities using nonfinancial data and incident history—data not traditionally used in mainstream investing. We rolled out our proprietary RIIM framework for corporate securities (both equity and credit) in 2018, followed by similar frameworks for sovereigns in 2019 and for municipal bonds and securitized bonds in 2020.

Accountability for the firm's corporate ESG activities starts with the T. Rowe Price Board of Directors. The Board's Nominating and Corporate Governance Committee (NCGC) oversees ESG activities and receives annual updates.

Additional research and insights into our approach to responsible investing may be accessed [here](#).

FN – AC – 410 A.3**Description of proxy voting and investee engagement policies and procedures**

Proxy voting is an investment function within T. Rowe Price and is subject to the oversight of the Boards of Directors of the various T. Rowe Price investment advisers. T. Rowe Price advisers have fiduciary responsibilities. Our view is that proxy voting is a key element of the stewardship responsibilities we execute on behalf of our clients. It is a responsibility we take seriously, centered on investments. Where proxy voting is concerned, our overarching objective is to vote our clients' shares in a thoughtful, investment-centered way—in support of the path most likely to foster long-term, sustainable success for the company and its investors.

Portfolio managers are ultimately responsible for making the voting decisions within the strategies they manage. To fulfill this responsibility, they receive recommendations and support from a range of sources, including:

- **The T. Rowe Price ESG Committee**
- **Global industry analysts**
- **Corporate governance and responsible investment specialists**
- **Insights from RIIM**
- **Institutional Shareholder Services (ISS), our external proxy advisory firm**

The T. Rowe Price ESG Committee is made up of experienced investment professionals, including analysts and portfolio managers from both our Equity and Fixed Income Divisions and our co-heads of Global Equity. The ESG Committee meets in the first quarter of every year to review proxy voting activity from the year before, reassess the suitability of our voting guidelines, and consider amendments to the guidelines.

In 2020, the T. Rowe Price portfolios voted on 1,431 shareholder resolutions across all markets. Of those, 500 were proposals where shareholders were nominating directors to a company's board. Another 585 were resolutions asking companies to adopt a specific corporate governance practice. The remaining 346 proposals addressed environmental and social issues.

We offer extensive public disclosure around proxy voting. Under U.S. securities regulation, the voting policies, procedures, and decisions of T. Rowe Price's U.S.-regulated mutual fund portfolios are required to be disclosed on an annual basis. The disclosures are updated on August 31st of each year, covering the date range of July of the prior year through June of the current year. In addition, we publish a report for our clients each autumn, highlighting important corporate governance trends from the prior 12 months and aggregating our proxy voting decisions into categories. Upon their request, we also make available to our institutional clients a customized record of their portfolios' voting activities.

Lastly, we wish to highlight two key changes for 2021 to our vote reporting:

- **From Q1 2021, we will disclose each U.S. – regulated mutual fund's full proxy voting record semi-annually instead of annually. Vote disclosures for the first and second halves of each year will be posted eight weeks after the period end.**
- **For the first time, we will provide not only vote decisions but rationales for key votes. These include votes against management, votes on shareholder proposals, and any other votes we deem controversial, illuminating, or significant.**

Our proxy voting program is one element of our overall relationship with corporate issuers. We use our voting power in a way that complements the other aspects of our relationship with these companies. For example, other contexts in which we might use our influence include:

- **Regular, ongoing investment diligence**
- **Engagement with management on ESG issues**
- **Meetings with senior management, offering our candid feedback**
- **Meetings with members of the Board of Directors**
- **Decisions to increase or decrease the weight of an investment in a portfolio**
- **Decisions to initiate or eliminate an investment**
- **On rare occasions, issuing a public statement about a company—either to support the management team or to encourage it to change course in the long-term best interests of the company**

However, in an environment where large institutional shareholders are often rated by third parties according to how frequently they vote against board recommendations, we wish to be clear—it is not our objective to use our vote to create conflict with the companies in which our clients are invested. Instead, our objective is to use our influence—through the various avenues listed above—to increase the probability that the company will outperform its peers, helping enable our clients to achieve their investment goals. A proxy vote is an important shareholder right, but its power is limited to the one day per year when a company convenes its annual meeting. Influence—earned over time and applied thoughtfully—is a tool we use every day.

Our investment-driven engagement program frequently identifies targets through our proprietary RIIM analysis, governance screening, and analysts' fundamental research. ESG engagement meetings are carried out by portfolio managers and analysts from our equity and fixed income teams, as well as by our ESG specialists.

While we engage with companies in a variety of investment contexts, ESG engagement focuses on learning about, influencing, or exchanging perspectives on the environmental practices, corporate governance, or social issues affecting their businesses.

Throughout the course of 2020, we engaged with companies on 1,002 separate occasions, sometimes more than once with the same company. We classify these meetings as ESG engagements, as they contained a notable discussion on ESG issues.



5.4

BUSINESS ETHICS

FN – AC – 510 A.1

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

For the year ended December 31, 2020, T. Rowe Price did not sustain any monetary losses as a result of legal proceedings associated with fraud, insider trading,

antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.

FN – AC – 510 A.2

Description of whistleblower policies and procedures



Any associate worldwide can report potential or actual violations of laws or regulations, regardless of where he or she works. Questionable conduct can be reported:

- **Directly to their line manager. Managers should escalate issues to the Legal, Compliance, and Audit Department as necessary;**
- **Anonymously, via the Whistleblower Hotline (administered by an independent, external third party); or**
- **To the General Counsel, respective chief compliance officer, senior compliance manager, or regional head of Human Resources verbally or in writing.**

Reports from the hotline go to our Legal, Compliance, and Audit Department, which promptly investigates matters and provides an annual summary of all complaints to our Audit Committee. No adverse action will be taken against anyone who in good faith reports a violation, or a potential violation, of a law, a regulation, or our [Code of Ethics and Conduct](#).

5.5

RISK MANAGEMENT⁶**FN – AC – 550 A.1**

Percentage of open-end fund assets under management by category of liquidity classification

We are omitting a response to this question. In accordance with SASB Standards Application Guidance (Section 2.2 Omissions and Modifications), we are disclosing our rationale for omission. In 2016, the SEC adopted Rule 22e-4 (Investment Company Liquidity Risk Management Programs) under the Investment Company Act of 1940. In 2018, the SEC amended Rule 22e-4 (Investment Company Liquidity Disclosure). In the Investment Company Liquidity Disclosure rule, the SEC amended 22e-4 to no longer require public disclosure of aggregate liquidity classification information at the fund level. The SEC explained that the subjectivity of the

classification process, when applied to this public disclosure, may raise concerns for various reasons, including that it “may pose a significant risk of confusing and misleading investors.” In addition, because liquidity for open-end funds is managed at the fund level, aggregate liquidity classifications of all the funds would not necessarily provide meaningful information on fund-level liquidity management.

FN – AC – 550 A.2

Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management

T. Rowe Price's risk philosophy centers on the belief that intelligent, informed, and risk-aware decision-making is an essential part of our business; risks must be actively identified and managed within our established risk tolerance levels. More information is available in our [Enterprise Risk Management Program](#) online.

MANAGING LIQUIDITY RISKS

T. Rowe Price's Liquidity Risk Committee (LRC) helps to oversee the firm's implementation and day-to-day operations of liquidity risk management activities, including the production and distribution of periodic liquidity risk reporting for all T. Rowe Price U.S. and non-U.S. products. The LRC considers the following

factors, among others, when overseeing liquidity:

- The size of the fund, holdings of cash and cash equivalents, the redemption settlement window, historical gross redemptions, investor concentration, holdings of illiquid assets, and liquidity of portfolio investments during both normal and stressed conditions.

MEETING MUTUAL FUND REDEMPTION REQUESTS

We expect the T. Rowe Price mutual funds will hold cash or cash equivalents to meet redemption requests. A fund may also use the proceeds from the sale of portfolio securities to meet redemption requests if consistent with the management of the fund. These redemption

methods will be used regularly and may also be used in deteriorating or stressed market conditions. The fund may also pay redemption proceeds with securities from the fund's portfolio rather than in cash (redemptions in-kind). Redemptions in-kind are typically used to meet redemption requests that represent a large percentage of the fund's net assets. Large redemptions can have an adverse impact on a mutual fund and its remaining shareholders. Redemptions in-kind may be used to minimize these adverse effects. Redemptions in-kind may be used regularly in circumstances as described above and may also be used in stressed market conditions. The U.S.-registered mutual funds are also permitted to borrow money from and/or lend money to other U.S.-registered mutual funds.

LIQUIDITY CONSIDERATIONS OUTSIDE THE UNITED STATES

Certain investment funds managed by T. Rowe Price (e.g., UCITS and OEIC) can employ various liquidity tools, where permitted under applicable regulation and under the conditions as described in the relevant prospectuses, such as:

- **Temporary borrowing (typically up to 10% of net asset value (NAV))**
- **Redemption in-kind (permits the reimbursement with a selection of securities that closely or fully matches the overall composition of the fund's portfolio)**
- **Gating (allows the fund to limit how many shares are redeemed on a single day if requests exceed typically 10% NAV)**
- **Suspension of dealing (provides time for funds to address liquidity challenges, typically when markets are closed, which would only be used in a worst-case scenario)**

FN – AC – 550 A.3

Total exposure to securities financing transactions

SECURITIES FINANCING TRANSACTIONS

T. Rowe Price Group (TRPG) does not engage in securities financing transactions. TRPG is the parent company of the investment advisers to its client accounts.

The wholly-owned subsidiary advisers of TRPG provide advice and oversight for the securities lending of the securities in the firm's proprietary range of mutual funds. Currently, only the T. Rowe Price proprietary U.S.-registered mutual funds participate in securities lending. The wholly-owned advisory subsidiaries of TRPG do not oversee the securities lending for non-TRPG fund accounts.

The T. Rowe Price U.S.-registered mutual funds participate in securities lending through unaffiliated securities lending agents, the funds' custodians. The T. Rowe Price funds minimize the risk of securities lending by requiring the securities lending agents to provide indemnification for

borrower default to the participating T. Rowe Price mutual funds. Borrowers are required to provide collateral for the loans that meets or exceeds the value of the securities on loan on a daily mark-to-market basis and by investing any cash collateral received from the borrowers in short-term high-quality investments, including a TRPG short-term mutual fund. The T. Rowe Price funds disclose the securities on loan and the monthly average of securities on loan in their filings with the SEC on Forms N-Port and N-CEN, respectively.

TRPG does not participate in repurchase or reverse repurchase agreements. The T. Rowe Price U.S.-registered money market funds and other short-term investment vehicles, advised by a wholly-owned subsidiary of TRPG, may enter overnight and seven-day repurchase agreements, whereby the funds lend cash to various

counterparties. Those transactions are fully collateralized on a daily mark-to-market basis. The T. Rowe Price U.S.-registered money market funds disclose the types and amount of the repurchase agreements in their monthly Form N-MFP filings with the SEC. Other T. Rowe Price U.S.-registered mutual funds disclose the use of

repurchase agreements in filings with the SEC on Form N-Port. All holdings in trusts are disclosed in annual financial statements, which are sent to retirement plans, which determine if the statements will be provided to the plan participants.

FN – AC – 550 A.4

Net exposure to written credit derivatives

CREDIT DERIVATIVES

TRPG had zero net exposure to written credit derivatives as of December 31, 2020. This response refers to the exposure of TRPG and its subsidiaries and does not refer to transactions conducted on behalf of client portfolios.

More information about risks to our business and the financial services industry is available in our [10-K](#) or on [our site](#).

5.6

ACTIVITY METRICS

FN – AC – 000.A

(1) Total registered and (2) total unregistered assets under management (AUM)

Total Registered AUM
(\$ U.S. Billions)⁷: **1,290**

Total Unregistered AUM
(\$ U.S. Billions)⁸: **180.5**

Total AUM
(\$ U.S. Billions)⁹: **1,470.5**





6 | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The year 2019 was the second warmest on record. Climate change is affecting businesses and society alike and disrupting economies. We believe that serious climate action to meet the urgency of the moment is needed and is part of our holistic approach to assessing the risks posed to our business.



This year, T. Rowe Price is integrating elements of TCFD in its Sustainability Report. Established in 2015 by the Financial Stability Board (FSB), the TCFD was tasked to develop a set of voluntary Climate-related financial risk disclosures. The task force's recommendations represent core elements of

how organizations operate: governance, strategy, risk management, and metrics and targets. We anticipate further refinements to our TCFD disclosures as we gain more experience reporting under this framework.



In 2020, we're proud that T. Rowe Price ranked 14th in Barron's 4th annual "100 Most Sustainable Companies" list, up from 26th place in 2019. To develop the list, Barron's evaluated the 1,000 largest publicly traded companies and ranked each on how they performed for shareholders, employees, customers, community, and the planet.

6.1 GOVERNANCE

A

Describe the Board's oversight of Climate-related risks and opportunities.

B

Describe management's role in assessing and managing risks and opportunities.

The Nominating and Corporate Governance Committee (NCGC) of the Board of Directors of T. Rowe Price oversees the firm's ESG activity and receives semi-annual updates. Setting our sights on becoming public supporters of the TCFD framework, in 2020 we introduced an amendment to the NCGC's charter. This development expressly granted the NCGC oversight of Climate-related issues.

As a result, the NCGC and the Risk and Operational Steering Committee (ROSC) will receive at least semi-annual updates, as applicable, from the Corporate ESG team on Climate-related issues and closely monitor progress against climate goals and targets.

T. Rowe Price's leadership is aware of the risks and opportunities climate change may pose to our business. Our Corporate ESG and Responsible Investing teams are responsible for developing and managing the firm's sustainability initiatives in their respective areas of focus. Day-to-day tasks involve the identification, assessment, tracking, and mitigation of climate risks and opportunities. In particular, the Corporate ESG team, in collaboration with the Corporate Real Estate and Workplace Services team, oversees the submission of our Climate-related information to the Carbon Disclosure Project (CDP), which has a core component of environmentally focused metrics.

T. Rowe Price's Management Committee will assess Climate-related risks and opportunities at the corporate level via the ROSC. The Management Committee will set and approve Climate-related targets at the firm level.

The Corporate ESG team ensures that the Management Committee and NCGC are aware of Climate-related risks and opportunities that involve developing strategies, action plans, annual budgets, and business plans.

As an organization, we rely on additional resources to identify and assess Climate-related risks and opportunities and scope possible adaptation and mitigation strategies. A few examples of these resources are:

- **Shareholder engagements**
- **ESG disclosures (such as SASB and TCFD), and sustainability reporting frameworks (CDP), which we believe provide clients and stakeholders decision-useful information on material ESG issues**
- **Trade associations**
- **ESG benchmarking, surveys, and ratings**

6.2

STRATEGY

A

Describe the Climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Our organization continuously explores measures to mitigate our exposure to climate risk, improving our operational efficiency and reducing our environmental impact. Our climate strategy is meant to address acute disruptions brought on by major weather events and chronic implications of climate change. Our operations are exposed to physical risks and transition risks derived from climate change. Reducing and managing our GHG

emissions is our primary sustainability priority. We are currently focusing on initiatives in our control in the short term (recycling, energy efficiency measures) while also exploring the feasibility of implementing longer-term mitigation strategies (infrastructure investments) that will allow us to reduce emissions and mitigate Climate-related risks.

B

Describe the impact of Climate-related risks and opportunities on the organization's business, strategy, and financial planning. Asset managers should describe how Climate-related risks and opportunities are factored into relevant products or investment strategies.

T. Rowe Price's Management Committee is charged with the responsibility of directing the firm's overall strategy and operations and has the ultimate oversight of Climate-related issues, at the investment and operational level, across the organization. As part of our climate risk assessment process, we utilize the CDP Climate Change questionnaire to benchmark our climate change strategy performance annually. Once shared with the ROSC, our responses to the CDP questionnaire will inform our corporate risk assessment related to climate change. T. Rowe Price utilizes the outcomes of this assessment to inform and enhance climate strategy across its business. Leveraging our previous work on the CDP questionnaire, we are now working on implementing TCFD to disclose Climate-related risks and opportunities.

Based on the current regulatory environment, we believe that the risks related to new Climate-related regulations affecting our corporate entity may result in an increase in overall energy and operational costs. As an asset manager, it is key for us to understand the impact that new environmental and Climate-related regulations can have on different industries and our investments in those companies or industries. Furthermore, arising regulatory and legal requirements, including emerging Climate-related regulations, may be costly to implement, both from a human resource and a budgetary perspective.

From an asset management perspective, the practice at T. Rowe Price is to embed ESG (including Climate-related risks and opportunities) throughout our investment research platform and hold analysts and portfolio managers (PMs) accountable for ESG integration (it is

part of their year-end assessment), but discretion for how a specific investment strategy manages Climate-related risks sits with the portfolio manager of that strategy. When it comes to incorporating climate change risk and opportunities into our investment theses, we rely on a combination of fundamental analysis (by analysts and PMs), thematic research by the responsible investing team, and our proprietary RIIM analysis. Fundamental and thematic research are easily shared across our research management platform (RMS), and we have made considerable technology investments to embed RIIM analysis within RMS with the aim of getting ESG data/analysis straight onto the desktops of our investors.

C

Describe the resilience of the organization's strategy, taking into consideration different Climate-related scenarios, including a 2°C or lower scenario.

T. Rowe Price has yet to apply qualitative and quantitative Climate-related scenario analysis to assess the implications of climate change on our business and fully inform our strategic and financial planning processes, testing their resilience. To continue aligning our disclosures with the TCFD's recommendations and to manage transition risks more effectively, we will begin a qualitative and quantitative assessment of Climate-related transition risks during the fall of 2021. This will enable us to understand better the potential financial impact of transition risks—such as policy, legislative changes, and shifts in market preferences—on the resilience of our overall strategy. Based on the results of this assessment, we will evaluate the impact of Climate-related risks through quantitative and qualitative scenario analysis, considering short- to medium-term until 2030, 2050, and beyond to 2100.

From an asset management perspective, our scenario analysis is conducted at the investment level (not the overall portfolio level) and varies by industry and region. When conducting scenario analysis around climate

In addition to our RIIM analysis, the responsible investing team works closely with our sector analysts in evaluating climate change factors. Work done by the Responsible Investing team can range from company-specific analysis, such as assessing environmental ratings on real estate companies, to more thematic work, like creating a carbon tool. This tool allows our analysts to input their own forecasts to understand how certain assumptions compare to a +1.5°C and +2.0°C pathway. Another tool available to our PMs is the carbon footprint of their portfolio. We evaluate each portfolio's carbon emissions and carbon intensity versus its benchmark. This analysis can be a useful indicator of how a portfolio is being managed from an environmental perspective.

change (specifically, GHG emissions and natural carbon sinks), we have built our own internal model, which allows investors to input their assumptions on several factors—such as deforestation, energy mix, and energy efficiency—to determine how a specific set of assumptions compares to 1.5°C and 2.0°C scenarios. Additionally, we have used numerous forecasts set by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Intended Nationally Determined Contribution (INDC) submissions made for the Paris Agreement in 2015. The results of our scenario analysis inform our investment decisions and are useful when discussing the potential impact of climate change with investee companies.



6.3

RISK MANAGEMENT

A Describe the organization's processes for identifying and assessing Climate-related risks. Asset managers should describe, where appropriate, engagement activity with investee companies to encourage better disclosure and practices related to Climate-related risks to improve data availability and asset managers' ability to assess Climate-related risks.

We take a comprehensive approach to identifying and assessing risks and opportunities—including climate change—at the company and asset levels through an enterprise risk management framework, managing reputational risk, strategic risk, operational risk, business continuity risk, human capital risk, compliance risk, and financial risk. Our approach to identifying Climate-related risks includes the consideration of extreme weather events, uncertainty surrounding regulation, reputational impacts, and our product range.

As head of the Enterprise Risk Group (ERG), our Chief Risk Officer (CRO) is primarily responsible, with support from the ROSC, for anticipating and addressing new risks, as well as ensuring the proper handling of risk across the firm. The CRO reports to the firm's Chief Financial Officer (CFO) and Chief Operating Officer (COO), and regularly reports to the CEO and the T. Rowe Price Group Board of Directors. The ERG is an independent, global team with seasoned experts specializing in Enterprise and Operational Risk; Investment Risk; Privacy and Business Resiliency.

Our ERG conducts assessments of the risks that our firm faces in the short, medium, and long terms. The corporate risk profile informs the ROSC of the key risks the firm faces to help prioritize how we focus on risk mitigation across the firm. The ERG is responsible for leading our risk management efforts by partnering with business units to identify risks, understand acceptable levels of risk, and

implement solutions that mitigate exposure to risk. The firm employs a multilayered approach to identify risks and opportunities associated with individual physical locations, led by our Business Resilience Governance Committee, which reports to the ERG. Our approach ensures that we can quickly identify and thoroughly respond to risks and opportunities, thereby reducing the impact on the firm and our clients. External events, such as severe weather events or other natural disasters, receive ongoing attention, given their potential impact on executing business activities, facilities, and related infrastructure and technologies.

From an asset management perspective, our engagement program with investee companies takes place through in-person or virtual meetings, conference calls, proxy voting, and occasional formal letters to Boards of Directors. When a company is engaging in a business practice related to ESG issues, including climate change, that we believe could inhibit our ability to reach our investment goals, we make that view known to the company's leadership.

Our investment research on climate change is coupled with engagement with existing and prospective investments on the topic. The objectives of our climate change-oriented engagements have focused on improving our understanding of a specific company's exposure to climate change and to encouraging improved disclosure of environmental data.

B

Describe the organization's processes for managing Climate-related risks. Asset managers should describe how they manage material Climate-related risks for each product or investment strategy.

We consider climate change risks and opportunities in several areas of the firm, consistent with the risks and opportunities presented by our business.

Type	Climate-Related Risks and Mitigation Strategies	Potential Financial Impact
Transition Risks	<p>Policy and Legal</p> <p>In our highly regulated industry, the risk of litigation claims, including those related to climate, are continuously evaluated by our Legal, Compliance and Audit Department, and incorporated in the firm's overall risk management program. Some examples of risks stemming from policy or legal frameworks that we have identified as potentially impacting our business are increased pricing of GHG emissions, enhanced reporting obligations, regulation of existing products and/or services, and exposure to litigation.</p> <p>We also assess and anticipate regulatory environmental standards that may require us to participate in energy reduction initiatives, energy efficiency programs, or renewable energy programs. These considerations are reflected in the firm's environmental management planning strategy and influence ongoing planning and budgeting exercises.</p> <p>Technology</p> <p>As technology develops to address climate change, the firm views any related risks as important considerations in our primary business of investing in the companies affected. Additionally, we track costs inherent to transitioning to lower-emissions technologies for our own corporate footprint, along with the substitution of existing assets and related services with lower-emissions options.</p> <p>Market</p> <p>Market risk is a key component of the firm's risk assessment. Climate change may influence customer behavior by impacting investments in our existing portfolios and steering the demand for investment products oriented toward climate change mitigation or providers of environmental solutions. Furthermore, as we have announced plans for our new headquarters, we are assessing the probability of increased costs in raw materials for construction.</p>	<ul style="list-style-type: none"> ➤ Increased operating costs (e.g., higher compliance costs, increased insurance premiums, costs derived from sanctions, fines, or judgments).
		<ul style="list-style-type: none"> ➤ Research and Development expenditures in new and alternative technologies ➤ Substitution of obsolete assets or technologies ➤ Capital investments in new technologies ➤ Costs to adopt lower-emissions processes and internal capacity building
		<ul style="list-style-type: none"> ➤ Shifts in consumer preferences may reduce the demand for certain goods and services ➤ Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment) ➤ Unexpected and sharp shifts in energy costs

Transition Risks (cont.)	<p>Reputation</p> <p>T. Rowe Price has a comprehensive risk management program in place to monitor, continually assess, and respond to potential Climate-related risks, including any that may affect the firm's reputation, both positively and negatively. Our multilayered approach ensures that we can quickly respond to any incident, minimizing business interruptions and reducing any impact on the firm or our clients. We routinely track shifts in consumer preferences and collect feedback from stakeholders.</p>	<ul style="list-style-type: none"> ➤ Negative stakeholder feedback ➤ Impacts to revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) 	<p>Resilience</p> <p>As part of our global corporate real estate strategy and plan, we regularly seek new opportunities to enhance our environmental management practices, as demonstrated by the firm's investment in a 2.2 MWh solar photovoltaic renewable energy system consisting of over 7,000 panels and the provision of free electric vehicle charging stations for associate use at our owned corporate campuses.</p>	<ul style="list-style-type: none"> ➤ Increased market valuation through resilience planning (e.g., land, buildings, and infrastructure) ➤ Returns on investment in low-emission technologies
Physical Risks	<p>Acute</p> <p>External events, such as severe weather events or other natural disasters, receive ongoing attention, given their potential impact on executing business activities, facilities and related infrastructure and technologies.</p> <p>An extreme weather event—such as a cyclone or flood—that impacts the firm's locations or the location of a vendor servicing the firm may affect our day-to-day operations, potentially resulting in increased costs.</p>	<ul style="list-style-type: none"> ➤ Reduced revenue and higher costs from negative impacts on our global workforce (e.g., health, safety, inability to access the workplace) ➤ Write-offs and early retirement of existing assets (e.g., damage to property and assets in locations considered to be high risk) 	<p>From an asset management perspective, the Investment Management Steering Committee (IMSC) among other things is responsible for reviewing and approving the annual and three-year product roadmap developed by the firm's Product Group. The ESG Taskforce, which is sponsored by the IMSC, along with the Product Group, considers Climate-related risks and opportunities as they relate to the commercial appeal of our product range. The IMSC is chaired by the Group CIO and Head of Investments and includes the heads of each investment business unit (U.S. Equity, International Equity, Fixed Income and Multi-Asset), heads of distribution, and the COO. As part of its oversight of ESG issues, the IMSC receives a quarterly update from the Global ESG Taskforce. This Taskforce is co-chaired by the Director of Research—Responsible Investing and the Global Head of ESG Marketing and Communications and is made up of representatives from investments, distribution, marketing, and client reporting with the mandate to serve as a source of input for potential ESG-related product development activities.</p>	
	<p>Chronic</p> <p>Not only can extreme weather-related events around the world affect our business operations, but they may also impact companies in which the firm invests on behalf of our clients. An extreme weather event may cause our investment professionals to reevaluate investments in affected companies.</p> <p>From a corporate standpoint, rising sea levels may increase the risk of flooding to our Baltimore office. Additionally, because of extreme variability in weather patterns, we may experience increased costs related to more frequent cooling and heating needs inside our buildings.</p>	<ul style="list-style-type: none"> ➤ Increased operating costs ➤ Increased capital costs (e.g., damage to facilities) ➤ Increased insurance premiums and potential for reduced availability of insurance on assets in locations considered to be high risk 	<p>C</p> <p>Describe how processes for identifying, assessing, and managing Climate-related risks are integrated into the organization's overall risk management.</p>	
Resource Efficiency	<p>Through our Corporate Real Estate and Workplace Services teams, T. Rowe Price is constantly seeking energy efficiency measures to implement throughout our global offices. Our firm also seeks to have at least 60% of its real estate environmentally certified by 2025, sets challenging environmental impact reduction targets, and tracks its performance against these targets annually. Our new corporate headquarters will aim for excellence in terms of environmental sustainability and energy efficiency. Additionally, we will pursue a true zero waste certification at a portfolio level.</p> <p>Our firm is currently developing a corporate net zero strategy and action plan based on these pillars: understanding its carbon footprint and trajectory, reducing its operational energy use, increasing its renewable energy supply (on- and off-site), reducing its embodied carbon, and offsetting remaining emissions.</p>	<ul style="list-style-type: none"> ➤ Reduced operating costs (e.g., through efficiency gains and cost reductions) ➤ Increased value of fixed assets (e.g., highly rated energy-efficient buildings) ➤ Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction) ➤ Reputational benefits 	<p>As described in 6.3 (A), our CRO manages the ERG and serves on the ROSC. Additionally, business unit leaders are responsible for overseeing operations and managing risks specific to their respective business areas.</p> <p>Although Climate-related risks have been considered part of our annual corporate risk assessment—for example, in prior years, our Business Continuity Planning assessed these risks relative to our physical assets—these risks will be more formally addressed throughout 2021 and 2022. Oversight and implementation of this process are performed by the ROSC and, ultimately, the T. Rowe Price Group Board of Directors. The ROSC is chaired by the firm's CFO and COO. The ROSC oversees, monitors, and communicates the firm's risk management structure, processes, and business unit risk management efforts. The ROSC monitors existing policies, makes policy recommendations on matters related to risk management, and ensures issues are elevated and risk is mitigated. The committee meets quarterly and is independent of the investment and operational business units. It is composed of senior business leaders from across the organization.</p>	

6.4

METRICS & TARGETS

A

Disclose the metrics used by the organization to assess Climate-related risks and opportunities in line with its strategy and risk management process.

T. Rowe Price is in the process of undertaking a comprehensive climate risk assessment. Through this process, the company will identify the most material Climate-related risk and opportunity metrics. We anticipate that these metrics will monitor both the physical and transitional risks associated with climate change. These could include: the percentage of assets with 'high' flood risk assessment, the percentage of employees with climate risk training, and the percentage of floor area

covered by risk management plans. We will ensure that we can immediately use these metrics to baseline our current performance using historical datasets and to demonstrate progress annually. In addition, we understand the need to incentivize decisions that align with a low-carbon economy. Therefore, we will explore the value of developing an internal carbon price to guide decision-making processes.

**B**

Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks.

2020 EMISSIONS BY SCOPE | EMISSIONS REPORTED IN METRIC TONS OF CO₂ EQUIVALENT (MT CO₂E)

GHG Source Category	Emissions (MT CO ₂ e)	Percent of Total
Scope 1 Emissions	796	3.3%
Stationary Combustion	683	2.9%
Mobile Combustion	3	0.0%
Refrigerants	109	0.5%
Scope 2 Emissions	20,661	86.7%
Purchased Electricity	20,106	84.4%
Purchased Steam	556	2.3%
Scope 3 Emissions	2,377	10.0%
Employee Air Travel	2,162	9.1%
Employee Train Travel	39	0.2%
Waste	176	0.7%
Total GHG Emissions	23,834	100.0%

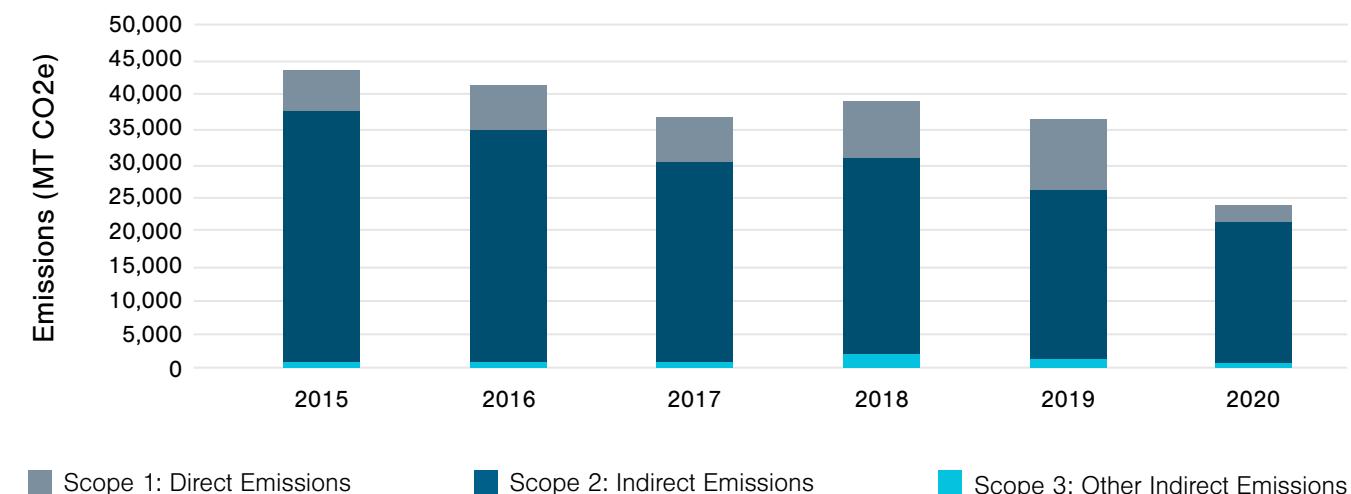
Note: Totals may not sum due to independent rounding.

EMISSION INTENSITIES BY SCOPE

Scope	Unit	2010	2015	2016	2017	2018	2019	2020	% Change 2019 vs. 2020
Scope 1: Direct Emissions	MT CO2e	1,190	928	1,050	1,259	2,162	1,424	796	44.1 ▼
Scope 2: Indirect Emissions	MT CO2e	37,207	36,650	34,065	28,877	28,607	24,791	20,661	16.7 ▼
Total Scope 1 & 2 Emissions	MT CO2e	38,397	37,578	35,115	30,135	30,769	26,215	21,457	18.2 ▼
Scope 3: Other Indirect Emissions	MT CO2e	4,775	5,941	6,410	6,699	8,357	10,204	2,377	76.7 ▼
Total Scope 1, 2, & 3 Emissions	MT CO2e	43,172	43,519	41,525	36,834	39,126	36,419	23,834	34.6 ▼
Global Square Feet	Thou. Square Feet	2,244	2,303	2,303	2,356	2,386	2,392	2,320	3.0 ▼
Global FTE Employees	FTE	4,873	7,339	7,339	7,672	7,882	8,314	8,324	0.1 ▲
Revenue	Million USD	2,371	4,223	4,223	4,793	5,373	5,618	6,207	10.5 ▲
Scope 1 & 2 Emissions per Square Foot	MT CO2e / Thou. SF	17	16	15	13	13	11	9	15.6 ▼
Scope 1 & 2 Emissions per Employee	MT CO2e / FTE	8	5	5	4	4	3	3	18.2 ▼
Scope 1 & 2 Emissions per Revenue	MT CO2e / MUSD	16	9	8	6	6	5	3	25.9 ▼
Scope 1, 2, & 3 Emissions per Square Foot	MT CO2e / Thou. SF	19.2	18.9	18.0	15.6	16.5	15.2	10.3	32.5 ▼
Scope 1, 2, & 3 Emissions per Employee	MT CO2e / FTE	8.9	5.9	5.7	4.8	5.0	4.4	2.9	34.6 ▼
Scope 1, 2, & 3 Emissions per Revenue	MT CO2e / MUSD	18.2	10.3	9.8	7.7	7.3	6.5	3.8	40.8 ▼

Note: Annual employee data is calculated using the average employee count over the course of each year.

EMISSION TRENDS



SCOPE 1 & 2 EMISSIONS KEY TRENDS

Between 2019 and 2020, T. Rowe Price reduced its purchased electricity use by 14% for all facilities in aggregate, including decreasing electricity usage at the Owings Mills and Colorado Springs campuses by 9% and 17%, respectively. Natural gas use increased by 28% throughout the portfolio, primarily because of increased natural gas use at Colorado Springs.

Refrigerant emissions decreased by 86% throughout the portfolio, primarily because of the data availability and methodology differences between 2019 and 2020.



SCOPE 3 EMISSIONS

Scope 3 emissions occur due to T. Rowe Price's activities but occur at sources owned or controlled by other entities and include air travel, rail travel, and waste.

Air travel miles and emissions decreased 77.6% and 77.9%, respectively, from 2019, due to COVID-19-related travel reductions but are expected to increase once restrictions are lifted. In total in 2020, we had a 77% diversion rate, representing how much waste we have diverted from our facilities without going to the landfill.

AIR TRAVEL MILES AND EMISSIONS

Scope	2015	2016	2017	2018	2019	2020	% Change 2019 vs. 2020
Air Miles Traveled	37,012,226	37,906,085	42,843,263	39,479,253	43,832,701	9,832,053	78 ▼
Emissions from Air Travel (MT CO₂e)	5,908	6,229	6,534	8,023	9,763	2,162	78 ▼

WASTE MANAGEMENT

Waste Management Practice	Unit	2015	2016	2017	2018	2019	2020	% Change 2019 vs. 2020
Landfill Waste	Tons	121	61	56	59	39	124*	220 ▲
Recycling	Tons	521	465	572	573	604	216	64 ▼
Composting	Tons	21	16	23	50	43	19	56 ▼
Energy Recovery	Tons	359	363	313	332	527	189	64 ▼

* Increased landfill waste is the result of additional estimated data for the firm's Tech Center, Linthicum, and Hagerstown locations. Based on EPA standards, we started factoring in this data as of August 2020, and have extrapolated it back to January 2020.

C

Describe the targets used by the organization to manage Climate-related risks and opportunities and performance targets.

T. Rowe Price currently has set targets to manage Climate-related risks and opportunities for two areas: greenhouse gas emissions and waste.

For greenhouse gas emissions, we have set the target of reducing our emissions by 13% by 2025, compared with a 2010 baseline. This absolute target is measured following the methodology set forth by The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), which is used to estimate Scope 1, 2, and 3 (Categories 5 and 6) GHG emissions. We continue to be on track to meet this target in advance of the 2025 deadline and, therefore, we aim to build on this progress by exploring what new, future-proof carbon and energy targets would be most appropriate for our business.

Our first step in this process was to develop a solid understanding of our scope 1 and 2 emissions and certain, critical elements of scope 3 emissions, such as waste and business travel. Then, we aim to expand our scope 3 screening to ensure a comprehensive review of further significant sources of emissions. Based on these reviews, we will evaluate appropriate, climate science-aligned targets and identify the most suitable target-setting method for our business. In exploring these new targets, and in line with the commitments set forth by the Paris Agreement, we recognize the importance of aligning our business with global ambitions to achieve net zero carbon by 2050, and so will seek to map out the relevant application of this to our business structure. To chart a meaningful course to net zero carbon, we will review the various methods available for setting science-based targets across the significant areas of our business.

For waste, we have set a target of reducing the waste we send to landfill by 92% by 2025, compared with a 2010 baseline. The absolute target is measured by collecting data from each facility on tons of waste sent to landfills. Following best practice, data is also collected on tons of waste recycled, composted, and sent for energy recovery. As with greenhouse gas emissions, we remain on track to meet this target in advance of the 2025 deadline. We are committed to building on this momentum, reaching higher and, as such, we will explore the possibilities for reducing our significant sources of waste by seeking out circular economy options, which can be used to tackle both our operational and embodied waste. As part of this endeavor, we embrace the need to shift from managing waste once it is created to designing out waste before it is generated.

T. Rowe Price strives to reduce its corporate environmental footprint by seeking opportunities for resource efficiency and conservation. Recent examples of the Company's commitment to corporate sustainability include our plans to design two new green buildings in Baltimore, MD, and London, U.K., aiming for excellence in terms of environmental sustainability and the impact on our associates' workplace experience. We are also proud to be developing a corporate net zero carbon strategy and action plan, and to be pursuing a true zero waste certification at a portfolio level.

In addition to greenhouse gas emissions and waste, we recognize the need to set other climate-risk-related targets, especially regarding the use of water both on-site and in the supply chain. Both the risks and opportunities associated with effective water management will be highly location specific. We will therefore seek to iterate location-appropriate solutions at a devolved level with our teams.

7 | OUR GOVERNANCE FRAMEWORK

Elected by our stockholders, our Board of Directors is T. Rowe Price's ultimate decision-making body, advising and monitoring senior management. The Board is made up of a diverse group of leaders with an appropriate level and diversity of experience, education, skills, and independence. We routinely assess and monitor the capabilities of our existing directors and whether additional capabilities and independent directors are required.

In considering the need for additional independent directors, we consider any expected Board departures and retirements and factor succession planning into our deliberations—with reference to specific skills and capabilities of departing Board members.

Our Board of Directors and their oversight of sustainability issues impact the creation of long-term value for our clients and stakeholders. Our Board governance encompasses the responsible and proactive management of our ESG issues.

In 2020, amendments were introduced for the NCGC to monitor performance objectives and progress against our goals and targets for Climate-related issues. Additionally, the NCGC will receive bi-annual updates on corporate ESG activities.

The following are highlights on the composition of our current Board:

- **10 of 11 members are independent under the NASDAQ Global Select Market standards**
- **Four directors are women, representing 40% of the independent directors on the Board**
- **Three directors were born outside the United States, representing 30% of the independent directors on the Board**
- **Three directors are ethnically diverse, representing 30% of the independent directors on the Board**
- **Three directors are veterans, representing 30% of the independent directors on the Board**
- **40% of the independent directors joined the Board within the last five years; the average non-executive director tenure is six years**



DIRECTOR ENGAGEMENT

In 2020, the Board held ten meetings and approved one matter via unanimous written consent. Each director attended at least 75% of the combined total number of meetings of the Board and Board committees of which he or she was a member. Consistent with the Company's Corporate Governance Guidelines, the independent directors met in executive session at each of the Board's regular meetings in 2020. Our Corporate Governance Guidelines provide that all directors are expected to attend the annual meeting of stockholders. All nominees for director submitted to the stockholders for approval at last year's annual meeting on May 12, 2020, attended that meeting.

COMMITTEES OF THE BOARD OF DIRECTORS

Our Board has an Audit Committee, an Executive Compensation and Management Development Committee (Compensation Committee), a Nominating and Corporate Governance Committee, and an Executive Committee. The Board has also authorized a Management Committee that is made up entirely of senior officers of the Company.

MANAGEMENT COMMITTEE

Composed of 14 experts with an average tenure of 15 years at T. Rowe Price, the Management Committee works to ensure that our clients remain first, today and in the future. Profiles of T. Rowe Price's leadership team may be found [here](#).

COMMITTEE CHARTERS

The Board has adopted a separate written charter for the Audit Committee, the Compensation Committee, and the NCGC. Current copies of each charter, our Corporate Governance Guidelines, and our Code of Ethics for Principal Executive and Senior Financial Officers can be found on our website, troweprice.com, by selecting "Investor Relations" and then "Governance."

STEERING COMMITTEES

Each one of our Steering Committees sets strategic policy and direction for a specific area of the firm. These include: Ethics, U.S. Equity, Fixed Income, International Equity, Multi-Asset, Investment Management, Risk and Operational, Diversity, Equity and Inclusion, and Product Strategy.





8 | OUR ASSOCIATES, OUR CULTURE

8.1

INVESTING IN OUR ASSOCIATES



Our associate population is the reason we are successful each year. We value diversity of thought, background, and experience. Associates who feel they can bring their best and full selves to work are happier and more productive. We continually strive to create frameworks of accessibility and climates that are supportive and welcoming. We aspire to promote a sense of belonging and connection to our firm.

Our Management Committee ensures we are setting high standards for the way we recruit, hire, onboard, mentor, and develop talent. They set the expectations for how we establish and maintain work environments in every one of our business units to achieve the pillars of our business approach: DE&I.

To support those efforts, our Diversity, Equity, and Inclusion Steering Committee (DEISC) meets on a bi-monthly basis to discuss progress on specific DE&I initiatives and related challenges. We have developed a plan to provide additional programs to strengthen the experience and support for underrepresented minorities while cultivating a culture of inclusivity for all.

Our priority is to increase our hiring and retention and development of talent from underrepresented groups in asset management—including both minorities and women. In 2020, 21% of our investment professionals globally were female, and 63% of new hires firmwide were either female or ethnically diverse.

Due to our collaborative culture, emphasis on listening, knowledge-sharing, respect for diverse viewpoints, and inclusive decision-making, T. Rowe Price was proud to be named to the 2020 Best Places to Work in Money Management by *Pensions & Investments*.



"I'm a passionate believer in the critical role that DE&I plays in facilitating a culture of inclusion and belonging, advancing an organization's priorities while meeting the needs of its clients, and positively impacting the lives of others."

Raymone Jackson

Global Head of Diversity, Equity, and Inclusion, T. Rowe Price

For every open senior role at the firm, our goal is that at least 30% of the candidates interviewed will be ethnically diverse and/or female. We believe a key component of combatting racial inequality and injustice is greater representation of minorities in all areas of society and business—including at T. Rowe Price.

In addition to the EEO-1 data included in our SASB disclosures, we are providing supplementary data on our workforce's global gender representation and ethnic diversity in the U.S. as of December 31, 2020, broken down by investments, global distribution and global product, and corporate functions. We believe this additional DE&I data demonstrates our commitment to transparency.



CÉLINE DUFÉTEL, CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, NAMED TO 2020 FORTUNE 40 UNDER 40 LIST

We're proud that Céline Dufétel, Chief Operating Officer, Chief Financial Officer, T. Rowe Price, was named to the 2020 Fortune 40 Under 40 List.

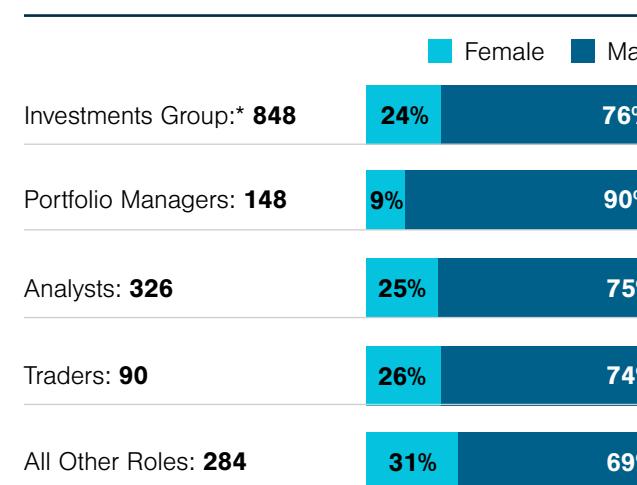
"A member of the firm's C-suite for the past two and a half years, Dufétel is one of the few female CFOs in the largest financial institutions in the S&P 500 (and the only one under 40)," Fortune wrote.

[Click here](#) to read more about Dufétel's career journey from serving in the French navy to heading up our firm's strategy, investor relations, M&A, and global investment operations.

INVESTING IN OUR ASSOCIATES

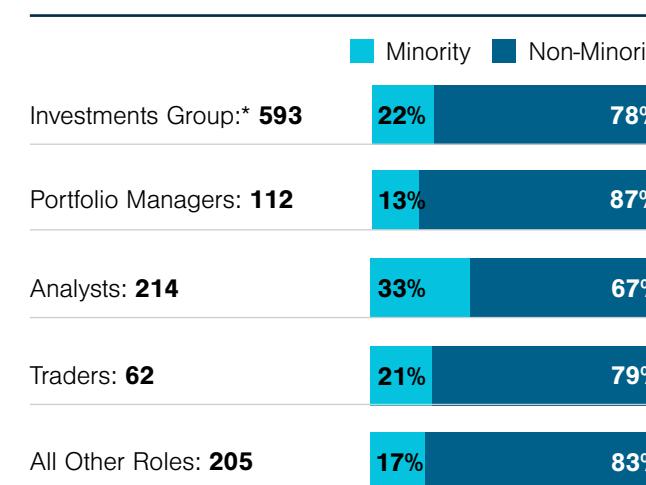
INVESTMENTS GROUP DIVERSITY BREAKDOWN

Gender Representation—Global Population



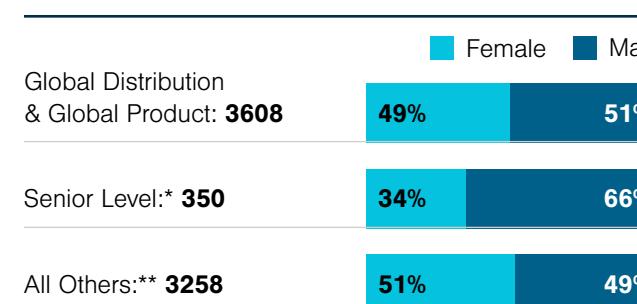
*Investments Group consists of Fixed Income, Global Trading, International Equity, Investment Specialist Group, Investments Administration, Multi-Asset, and U.S. Equity Business Units, which comprise Investments Professionals and Non-Investments Professionals. Investments Group Diversity Breakdown excludes Administrative Staff.

Ethnically Diverse—U.S. Population Only



GLOBAL DISTRIBUTION & GLOBAL PRODUCT GROUP DIVERSITY BREAKDOWN

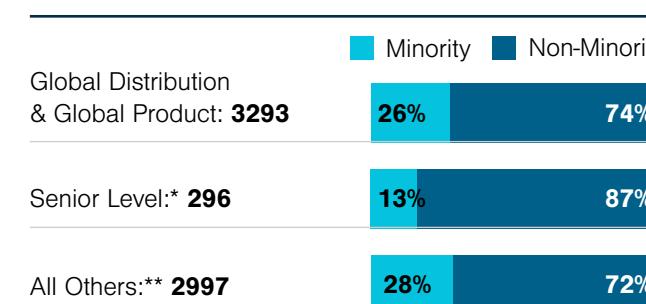
Gender Representation—Global Population



* Senior Leader is defined as people leaders and individual contributors with significant business or functional responsibility and excludes Administrative staff.

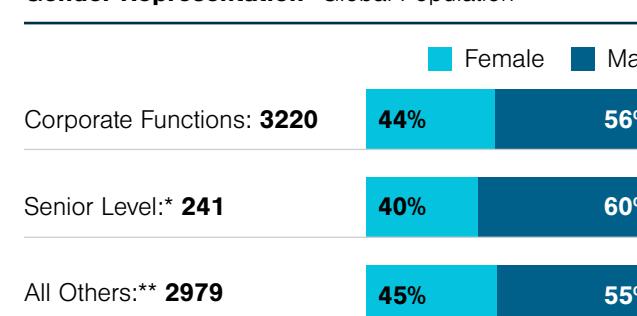
** Global Distribution and Global Product Group Diversity Breakdown excludes Administrative Staff.

Ethnically Diverse—U.S. Population Only



CORPORATE FUNCTIONS GROUP DIVERSITY BREAKDOWN

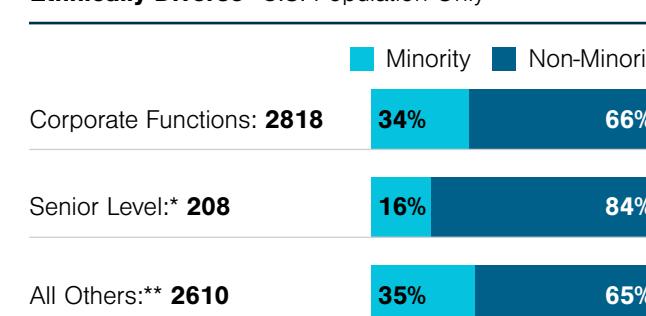
Gender Representation—Global Population



* Senior Leader is defined as people leaders and individual contributors with significant business or functional responsibility.

** All Others includes Administrative staff, which consists of Administrative Assistants, Supervisors, and Managers of Administrative Assistant staff.

Ethnically Diverse—U.S. Population Only



SUPPORTING A DIVERSE & INCLUSIVE WORKPLACE

To increase the pipeline of diverse candidates, we have partnered with historically Black colleges and universities, Latinx-serving institutions, and other colleges and universities with which we have had success in recruiting diverse talent in the U.S. Other initiatives connect with prospective and future minority and female candidates as early as high school, through college, and into graduate school.

Throughout each year, we host on-site mentoring and recruitment initiatives in all U.S. offices and London, encouraging and attracting diverse candidates to consider careers in asset management. In 2020, we carried out this initiative in a virtual format, mainly via our MBA Day and Stock Pitch programs.

In July, we launched the Black Leadership Council, a group empowered to advise the Management Committee and other audiences on improvements to our Black associate advancement strategy. Composed of 16 Black

and African American associates in senior roles across the firm, the group complements our DE&I strategy to engage with Black talent within and outside the firm.

To attract and retain top candidates, we develop key talent and succession plans, invest in our firm's DE&I initiatives, provide opportunities for our associates to learn and grow, and provide competitive benefits. As evidence of the success of our approach, the average tenure of our associates is eight years, of our investment professionals is nine years, and of our portfolio managers is 22 years.¹⁰

Our associate-led Business Resource Groups (BRGs) help maintain an inclusive culture by providing networking and career opportunities. Additionally, we host "Diversity Dialogues" to support our associates and create allies in the workplace. During 2020, thirty eight percent (38%) of associates were members of at least one BRG. Our BRGs include:



MOSAIC
@ T. Rowe Price

The group seeks to strengthen the firm's competitive advantage by attracting and retaining ethnically diverse associates, promoting an inclusive culture that values differences, and developing talent and business practices supporting the firm's diversity, equity, and inclusion strategy.



PRIDE
@ T. Rowe Price

The group's mission is to create an environment where LGBTQ+ associates can bring their full selves to work each day.



V LOR
@ T. Rowe Price

The group's mission is to attract veterans and active reservists to the wide variety of roles available at T. Rowe Price and make sure they and their families are supported.



WAVE
@ T. Rowe Price

The group supports the firm by increasing the recruitment, development, advancement, and retention of women and cultivating a culture that fosters gender balance and inclusion.

OUR LONG-TERM COMMITMENT TO OUR EMPLOYEES

At T. Rowe Price, we are committed to helping our associates achieve their long-term career goals. We prioritize developing our associates' knowledge, skills, and experience, by providing them access to a career site with hundreds of live and self-paced training programs and a generous tuition reimbursement program. During 2020, associates completed more than 140,000 hours of firm-sponsored training.

Open communication and feedback are built into the formal expectations that we have of all associates. We encourage associates to have regular conversations about career development goals with their managers throughout the year, in addition to formal performance reviews.

We believe a critical driver of our firm's future growth is our ability to nurture leaders. Our leadership development roadmap guides associates as they progress, providing them with custom programs as they step into each level of leadership. In addition, a firmwide leadership speaker series brings noted authorities to T. Rowe Price, and

global cohort programs directed by professors from prominent universities focus on developing leadership skills.

In all our global locations, we offer employee benefit solutions, including healthcare and retirement benefits, where applicable, fitness club reimbursement, life insurance, and an Employee Assistance Program to support well-being. Benefits competitiveness and design are assessed within the relevant market for a given country, and offerings align with our global principles and local market practice. For example, retirement programs are uniquely designed to support associates in meeting retirement goals while also reflecting regional and country-specific practices in Asia, Europe, and the U.S.

We have always emphasized the importance of spending quality time away from work. In addition to generous vacation time, the firm offers fully paid maternity leave for birth mothers, in addition to fully paid parental leave to all new mothers and fathers. We also provide adoption assistance to associates looking to expand their families. In the U.S., the U.K., and Canada, we offer our associates backup child-care and eldercare.

Reporting & Benchmarks



View our 2020 Report:
[UK Gender Pay Gap \[PDF\]](#)

Recognition in 2020



8.2

INVESTING IN OUR COMMUNITIES

T. Rowe Price is committed to advancing communities where our associates live and work—and beyond. We proactively support causes that associates care about and provide opportunities for them to make a community impact, as well as through the firm's philanthropic giving areas of financial well-being, youth empowerment, and creativity and innovation. These are some examples of our proactive support:

- **Paid volunteer workdays**
- **Volunteer rewards**
- **Sponsoring associates' favorite nonprofit events**
- **Pro bono volunteer opportunities**
- **Supporting board service**
- **Matching gifts: \$6.9M**
- **Associate giving: \$12.4M**
- **Total firm giving: \$26.8M**
- **Volunteer hours: 26K**
- **Board service: 365 associates serving on 460 nonprofit boards**



"We developed the Money Confident Kids program to help parents and teachers teach basic financial concepts in a fun and approachable way. The program has easy-to-follow lesson plans and activities to help guide parents in teaching their kids to be more money confident."

David Malone

Lead Program Manager, Corporate Responsibility, T. Rowe Price

BUILDING FINANCIAL CAPABILITIES

 Since 2009, we have been working with both children and adults to help them develop the knowledge and capabilities necessary to make wise financial decisions. Overall, we have reached more than 13.5 million people through our financial education programs.

In January 2020, we relaunched our Money Confident Kids® program, a financial education program teaching basic financial concepts to middle-school-age children, as a new five-step program with a refreshed website.

Money Confident Kids is designed to help simplify the process of teaching core financial concepts to children. It covers topics such as prioritizing spending, asset allocation, and diversification. The learning program is supported by a website that includes downloadable lessons, activities, games, tips, and other resources.

With the success of Money Confident Kids in the U.S., we plan to expand the program to the U.K. and Australia in 2021.



Black Families Prioritize Money Conversations

A study published by T. Rowe Price last year revealed that, compared with other racial/ethnic groups, Black families emphasize having conversations about saving money, spending wisely, setting financial goals, and family finances.

As a part of the firm's ongoing commitment to promoting racial equity, the results of this study mark a necessary step for us to evaluate how our financial education program can encourage wealth accumulation among Black families, like the Duke family pictured here.

[Click here](#) to watch the Duke family discuss their journey and how financial education has made a difference in their lives.



Throughout 2020, T. Rowe Price successfully delivered its third iteration of the “One Book Baltimore” program. One Book Baltimore is a collaboration between T. Rowe Price, Enoch Pratt Free Library, and more than ten other Baltimore organizations. The program provides opportunities for Baltimore 7th- and 8th-grade students, their families, and community members to connect and engage in dialogue about peace, nonviolence, and youth voices by reading the same book. Pioneered by the T. Rowe Price Foundation, One Book Baltimore includes book distribution to students, author visits, and various citywide programming centered on promoting community change.

The T. Rowe Price Foundation is also funding an innovative national approach to creating a district-wide framework for effective partnerships between schools and community organizations focused on improving student outcomes over time. Informed by national research, Baltimore’s Promise and Baltimore City Public Schools lead this collaborative. It is developing a structure to support school principals and community organizations to cultivate and grow effective partnerships that promote student learning and success.



8.3

CHARITABLE PARTNERSHIPS & PROGRAMS

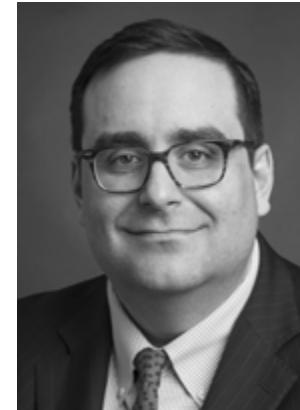
As we continue to reach higher, we believe it's important to lift the communities that surround us. Founded in 1981, the T. Rowe Price Foundation is steadfastly committed to its mission of pursuing the long-term success of communities through direct grant strategies, matching gifts, and a robust capacity-building program for nonprofits.

Since its inception, the T. Rowe Price Foundation has granted \$143 million to support the communities where we work and beyond. Last year, the Foundation's work was more important than ever before due to the pandemic, with \$11.6 million awarded in direct grants and matching gifts in total.

In 2020, more than 400 unique nonprofits and over 2,000 participants joined the Foundation's Capacity Program to strengthen organizational health and provide professional development opportunities for the nonprofit community.

The Foundation's key giving areas focus on youth empowerment and education, creativity and innovation, and financial well-being. We believe partnership is critical to realize positive change and incorporate trust-based philanthropy principles, including multi-year unrestricted funding, providing nonmonetary support, and aiding nonprofits to set their objectives.¹¹

Continuing its tradition as convener of community partners within Baltimore, in 2020, the T. Rowe Price Foundation opened BMORE CoLab, a co-working space to house nonprofits. The BMORE CoLab's focus is on supporting entrepreneurship and small business development. Despite the challenges of the COVID-19 pandemic, partners positively impacted the city's small business community.



"We spend a lot of time at the Foundation talking about the word 'partnership.' We want to ensure we're taking the best of all these really great groups and putting them together to really achieve change at the community level."

John Brothers

President, T. Rowe Price Foundation

ADVANCING OUR COMMITMENT TO RACIAL EQUALITY

During the summer of 2020, T. Rowe Price announced that its Foundation would award \$2 million in grants to advance our firm's commitment to racial equality and justice in communities where our associates live and work.

To determine the key focus areas of the grant, the Foundation and Corporate Responsibility teams engaged in a multi-month participatory process with a highly engaged and diverse Associate Advisory Committee. During the committee sessions, associates heard from local and national experts about the successes and failures of advancing racial equity in our communities through human services systems, structures, and the corporate philanthropy sector.

"The systems of injustice are ubiquitous and are often disguised by great intentions. Some groups will never have a brighter future unless things change. I personally hope these grants will help drive that change."

Neil Ifill

Senior Instructional Designer & Member of the Associate Advisory Committee,
T. Rowe Price



HELPING OUR COMMUNITIES REACH HIGHER

Throughout 2020, T. Rowe Price provided wide-ranging support to help our communities reach higher, addressing gaps in services and within the healthcare system due to the COVID-19 pandemic. The T. Rowe Price Foundation provided essential capacity-building resources and webinars to help nonprofits working remotely to navigate new challenges for their organizations and beneficiaries, as well as grants to relieve the impact of the pandemic.

In Baltimore, \$250,000 was donated to the Fund for Educational Excellence to support food security programs for Baltimore City Public Schools students and their families who were without meals due to the closure of schools. In partnership with other local corporations, over \$1 million in contributions were made to 50 Baltimore organizations to address food insecurity.

Additionally, the Foundation directed \$40,000 from its existing art portfolio to the Emergency Artists Relief Fund, which is administered by the Baltimore Office of Promotion & the Arts and provides aid to artists, many of whom may not have met the requirements set forth by the CARES Act or state relief packages. In addition, the

Foundation supported \$125,000 in grants to nonprofits in Colorado Springs, New York City, and San Francisco, and \$125,000 to the Center for Disaster Philanthropy to support relief efforts in global communities.

In recognition of these efforts and the firm's sustained investment in West Baltimore since 2015, T. Rowe Price was named a 2020 Citizen Award Winner for Best Community Improvement Program by the U.S. Chamber of Commerce Foundation.





9 | TO FIND OUT MORE

Additional information on T. Rowe Price's ESG-related programs and policies, and our commitment to our clients, associates, and communities, is available in the following sections on the [T. Rowe Price corporate website](#):

CORPORATE RESPONSIBILITY 

ESG INVESTMENT APPROACH 

POLICIES 

DIVERSITY, EQUITY, AND INCLUSION 

LEADERSHIP 

T. ROWE PRICE FOUNDATION 

Thank you for reading our 2020 Sustainability Report. We value stakeholder feedback.
If you would like to get in touch, please e-mail: Sustainability_Report@troweprice.com.

CVVENTURE LLC

JUNE 1, 2021

REPORTING ENTITY	T. Rowe Price	CONTACT	William Sell
LEAD VERIFIER	Kevin L. Johnson, Cventure LLC		

EMISSIONS INVENTORY

Global, corporate-wide FY2020 (January 1, 2020 – December 31, 2020) 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 and waste. Boundaries include owned/leased facilities over which T. Rowe Price maintains operational control. CO₂, CH₄, and N₂O direct combustion, electricity consumption, and mobile source combustion emissions, and HFC refrigerant gas and waste CO₂ equivalent emissions, were all calculated; T. Rowe Price has no SF₆, PFC, or NF₃ emissions.

GREENHOUSE GAS MANAGEMENT PLAN

T. Rowe Price 2020 GHG emissions inventory and methodology were developed by ICF, according to ICF's 2020 Corporate GHG Inventory Excel workbook tool. Raw data collection activities for boundary determinations and GHG emissions sources' characteristic and activity data were performed by T. Rowe Price and Jones Lang LaSalle. T. Rowe Price's GHG inventory was developed according to generally accepted GHG accounting standards: *The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, Revised Edition, WRI/WBCSD, March 2004*.

VERIFICATION APPROACH

Tier II of the ERT Standard: "Corporate GHG Verification Guideline" by ERT, a CDP-approved verification standard. Tier II-level verification is appropriate for basic reporting purposes including stakeholder and other external communications, and voluntary efforts for which there are no imminent requirements for GHG emissions compliance. This verification effort covered T. Rowe Price's FY2020 GHG emissions inventory. Cventure was not directly involved in the FY2020 GHG emissions inventory's data collection, management, or reporting; nor associated emissions calculations or estimates, and any subsequent assertions made by T. Rowe Price. Cventure has not provided any services to T. Rowe Price which could compromise Cventure's independence as a 3rd party verifier. Cventure disclaims any liability for any decision made by third parties based on this verification statement. Cventure's conclusion is based on the findings described below.

The Tier II review was designed to provide a limited level of assurance that the GHG emissions assertion is materially correct. Reviews of methodologies, calculations, and data management processes used in T. Rowe Price's GHG inventory were conducted. All T. Rowe Price facilities and GHG emissions Scopes reported within the operational boundary determination were subject to the verification process. Sixteen (16) facilities were selected for detailed reviews and data sampling, representing ~95% of T. Rowe Price's total building-related GHG emissions, with

purchased electricity and natural gas monthly billing records being examined for each of them. Root audit data records were also reviewed for travel agent-booked employee business air travel, and for waste management vendors. Error checking tests were performed on the data to assess the information collected, including missing data, limits and reasonableness, units of measure (UOM), and select re-computation crosschecks. No material errors or omissions were identified by Cventure during this verification project. Several minor, immaterial discrepancies between root data documentation and the GHG inventory report were identified; these were corrected by T. Rowe Price/ICF at that time. Boundary checks included a review of the 2020 lease management reports. Emissions aggregation and select inventory spreadsheet calculation checks were also made, and compared against inventory reported data. No material errors or discrepancies were found in those types of verification review checks. We believe that our work provides a sound basis for our verification conclusion.

CONCLUSION

This effort included sampling and testing of GHG emissions data and underlying root data and information, resulting in a limited level of assurance. Based on its verification review of T. Rowe Price's FY2020 GHG emissions inventory, Cventure has found no evidence that T. Rowe Price's GHG assertion is not presented fairly and accurately. Cventure found that the GHG inventory emissions estimates conform to generally accepted GHG accounting standards, and are generally consistent with the WRI/WBCSD GHG accounting and reporting protocol. GHG emissions estimates were calculated in a consistent, transparent manner, and found to be a fair and accurate representation of T. Rowe Price's actual conditions, and to be free from material misstatements or omissions. Cventure verified a total of **23,834** metric tons of CO₂ equivalent emissions (796 Scope 1, 20,661 Scope 2, and 2,377 Scope 3), with a limited level of assurance.

FOOTNOTES

¹ "Covered employees" is defined by SASB as employees subject to filing the following forms: Form U4, Form U5, Form U6, Form BD, and Form BDW, which are filed with the Central Registration Depository of the Financial Industry Regulatory Authority (FINRA).

² Covered employees with the identified disclosures referenced above on their Form U4 or Form U5 were included, regardless of date of the event or whether they were employed by T. Rowe Price at the date of incident.

³ Definitions are based on the U.S. Equal Employment Opportunity Commission's EEO-1 Survey. As of December 31, 2020, our U.S. associate population represents 87% of our global workforce.

⁴ Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.

⁵ Data as of December 31, 2020. Asset categories presented in accordance with TRPG 10-K Financial Statements. Socially Responsible Investment accounts include accounts that, at client direction, apply screens to avoid specific companies or sectors associated with one or more objectionable activities as determined by the investor. Not all products included under this category apply the same screens.

⁶ We have renamed this section "Risk Management" rather than "Systemic Risk Management," as we believe this is more applicable to asset managers.

⁷ Registered AUM is defined in the SASB Asset Management & Custody Activities Standard. For our purposes, Registered AUM includes a variety of pooled investment funds, including U.S. common trust funds, Luxembourg SICAVs and FCPs, non-U.S. unit investment trusts, other non-U.S. sub-advised funds as well as U.S. mutual funds, variable insurance product funds, Canadian pooled funds, and UK open-ended investment companies.

⁸ Total Unregistered AUM is Total AUM minus Total Registered AUM. This includes AUM of accounts classified as separate accounts and distribution management services. Some of these accounts may be subject to regulations of the Investment Company Act of 1940, managed under ERISA, subject to non-U.S. regulations like UCITS or managed under the CFTC regulations.

⁹ We have renamed this metric to Total AUM from Total Assets Under Custody and Supervision because assets under management is a more relevant activity metric for asset managers.

¹⁰ According to the U.S. Department of Labor's Bureau of Labor Statistics, as of January 2020, the median years of tenure for business and financial occupations was 4.7 years.

¹¹ Based on the six key principles articulated by the Trust-Based Philanthropy Project, a five-year peer-to-peer funding initiative established to address the inherent power imbalances between foundations and nonprofits.



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All figures are as of December 31, 2020, unless otherwise stated. Unless otherwise stated, all currency is shown in U.S. dollars.

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