



**T.RowePrice**

# 2024 Sustainability Report



<b>03</b>	<b>About This Report</b>	<b>72</b>	<b>Social</b>
<b>05</b>	<b>Leadership Message</b>		Human Capital
<b>06</b>	<b>About Us</b>		Data Responsibility
	Our Support for the UN's Sustainable Development Goals		Supply Chain
	Our Sustainability Journey		Community Investment
<b>09</b>	<b>Governance</b>	<b>91</b>	<b>To Learn More</b>
	Board Oversight	<b>92</b>	<b>Glossary of Terms</b>
	Management's Role	<b>95</b>	<b>Appendix</b>
	Training and Culture		Task Force on Climate-Related Financial Disclosures (TCFD) Disclosure Index
	Business Ethics		Sustainability Accounting Standards Board (SASB) Disclosure Index
	Responsible Investing		Investor Climate Action Plan Index
	Public Policy and Advocacy		California AB 1305 Index
<b>34</b>	<b>Environmental</b>	<b>106</b>	<b>Report of Independent Certified Public Accountants</b>
	Our Position on Climate Change		
	Climate Transition Plan Summary		
	Climate-Related Strategy		
	Managing Climate Risks		
	Climate-Related Metrics and Targets		

# About This Report

Since 2012, we have published reports sharing our commitment to and the evolution of our corporate sustainability strategy with our clients, stockholders, and other stakeholders. Our 2024 Sustainability Report aims to deliver a comprehensive illustration of the many initiatives, policies, and metrics the firm has developed and implemented.

As in previous years, the report contains a set of robust disclosures anchored in two globally recognized frameworks: the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). We have utilized the SASB Standard for Asset Management & Custody Activities, Version 2023-12, which went into effect January 1, 2025. In addition, we again include our Investor Climate Action Plan (ICAP).

Our 2024 Sustainability Report covers the operations of T. Rowe Price Group, Inc. It forms part of a suite of annual publications that also includes the T. Rowe Price Group Annual Report and Annual Proxy Statement.

T. Rowe Price Group, Inc., is a holding company that directly or indirectly owns the various T. Rowe Price corporate entities, including T. Rowe Price Associates, Inc. (TRPA), T. Rowe Price Investment Management, Inc. (TRPIM), and Oak Hill Advisors L.P. (OHA).

The qualitative statements and quantitative metrics within this report are representative of all three entities unless otherwise noted. While OHA is included within the firm's disclosures where material, it operates as a stand-alone business within T. Rowe Price Group, Inc., with autonomy over its investment processes and entity commitments. OHA maintains its own culture and associates, including its own ESG team. OHA's [ESG Report](#) provides additional details on related activities.

**The disclosures appearing under headings or subheadings with the symbol ‡ are included in the Report of Independent Certified Public Accountants. Refer to Report of Independent Certified Public Accountants on page 106 for additional details.**

This report has been formally approved by the Nominating and Corporate Governance Committee (NCGC) of the T. Rowe Price Group Board of Directors.

UK asset managers that exceed certain assets under management thresholds are required by the Financial Conduct Authority to publish TCFD entity-level annual disclosures. T. Rowe Price International Ltd (TRPIL), a subsidiary of TRPA, is in scope and will publish its annual TCFD report. The TRPIL TCFD report will largely refer to the T. Rowe Price Group TCFD Report, as TRPIL's own approach to governance, strategy, and risk management is aligned with the broader approach of T. Rowe Price Group. The TRPIL TCFD report is not subject to review by independent certified public accountants.

All data points within this report are as of and/or for the period ended December 31, 2024, unless otherwise noted.

## Forward-Looking Statements

This report, and other statements that T. Rowe Price may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to T. Rowe Price's future financial or business performance, strategies, or expectations.

Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may," and similar expressions.

Forward-looking statements in this report may include, without limitation, information relating to anticipated changes in revenues; our operations, expenses, earnings, liquidity, cash flows, and capital expenditures; industry or market conditions; amount or composition of assets under management; regulatory developments; changes in our effective fee rate; demand for and pricing of our products; new products and services; effective tax rates; net income and earnings per common share; future transactions; our strategic initiatives; general economic conditions; dividends; stock repurchases; and other market conditions.

Actual results could differ materially from those anticipated in forward-looking statements, and future results could differ materially from historical performance.

Forward-looking statements speak only as of the date they are made, and T. Rowe Price assumes no duty to and does not undertake to update forward-looking statements.

We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in our most recent Form 10-K filed with the Securities and Exchange Commission.

# Leadership Message

At T. Rowe Price, we're driven by our purpose, which is to identify and actively invest in opportunities to help people thrive in an evolving world. We are a fiduciary first and foremost. And for 88 years, this has guided our firm and enabled our success.

We consider sustainability from two separate and distinct perspectives: as an asset manager and as a corporate entity. Our investment decisions are driven by the mandates our clients have given us and a relentless pursuit of strong investment performance against their objectives.

While the majority of our clients have given us a mandate to pursue financial performance, a small but growing number of clients also have elected to apply various sustainability-related objectives to their investment portfolios. Interest in these investment offerings is more prevalent in some geographies than others, but it is not limited to a particular region.

As a corporate entity, our operational sustainability strategy has always been defined by a long-term approach that considers varying stakeholder interests. It is focused on prudent risk management, operating with integrity and fairness in a way that takes into account the impacts on our communities, and having a high-achieving workforce dedicated to supporting our global clients.

The underlying factors that prompted the need for an operational sustainability strategy—having an inclusive workplace where diverse ideas and experiences are welcome, supporting small businesses in our supply chain, and decarbonizing our facilities to ensure that we are well-positioned for an energy transition that is already underway in the areas that we operate—have not changed.

We believe our approach to sustainability, as both an investment manager and a corporate entity, is consistent with our commitment to pursuing investment excellence and providing world-class service—delivering outstanding value for our clients, our associates, and our shareholders long into the future.



**Eric Veiel**  
Head of Global Investments and CIO



# About Us

**At T. Rowe Price, we're guided by a purpose: to identify and actively invest in opportunities to help people thrive in an evolving world.**

As a premier global asset management organization, we're focused deeply on our clients' investment objectives, working closely with them to help achieve their long-term financial goals. We take an active approach to investing, offering our dynamic perspective and meaningful partnership to instill confidence in our clients. With more than 85 years of experience, we provide a broad range of investment solutions across equity, fixed income, alternative, and multi-asset capabilities for clients around the world—from individuals to advisers and from institutions to retirement plan sponsors.

**8,100+**

Associates

**\$1.6 trillion**

USD in assets under management<sup>1</sup>

**54 countries**

Where we serve clients

**17 markets**

Where we are located

**900+**

Investment professionals

**\$1.1 trillion**

USD in retirement assets under management

**\$830 billion**

USD in equity assets under management

**\$188 billion**

USD in fixed income assets under management

**\$536 billion**

USD in multi-asset assets under management

**\$53 billion**

USD in alternative assets under management

<sup>1</sup> Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.

# Our Support for the UN's Sustainable Development Goals

We look to global standard-setters to help define our sustainability priorities. In 2021, we became a signatory to the United Nations (UN) Global Compact. We continue to strengthen our efforts to advance the UN's Sustainable Development Goals (SDGs).

We manage a number of investment strategies that align clients' investments with the SDGs. For example, our suite of impact investment strategies aligns with the SDGs and offers clients an opportunity to pursue both financial gain and their sustainability goals. We continue to partner with the International Finance Corporation (IFC)<sup>1</sup> to launch a blue bond venture, which supports clean water and sanitation (SDG6) and life below water (SDG14).

Additional details on our efforts to support these SDGs are noted throughout the report with the corresponding icon displayed in the appropriate section of this report.

Within our operations, we have programs to advance the following goals:

## Gender Equality (SDG5)

We have global programs to support women's participation in asset management and within leadership roles, including partnerships with Girls Are Investors and Future Females in Finance, as well as our internal business resource group, WAVE, and our Caregiver and Parental Transitional Support program.

## Reduced Inequalities (SDG10)

We have strategic partnerships with organizations, such as Management Leadership for Tomorrow and CNote, that aim to advance equal opportunity, in addition to our internal business resource groups.

## Sustainable Cities and Communities (SDG11)

We are working to achieve environmental certification for 60% of our global real estate by square foot by year-end 2025.

## Climate Action (SDG13)

We have set a goal to achieve net zero Scope 1 and 2<sup>2</sup> emissions from our facilities by year-end 2040, with an interim goal to achieve a 75% reduction in Scope 1 and 2 emissions by 2030 compared with our 2021 base year.

Source: [United Nations](#).

<sup>1</sup> T. Rowe Price and IFC are not affiliated companies.

<sup>2</sup> See Glossary of Terms for definitions of Scope 1 and 2 emissions.

# Our Sustainability Journey

As of December 31, 2024

Not all vehicles are available in all jurisdictions.

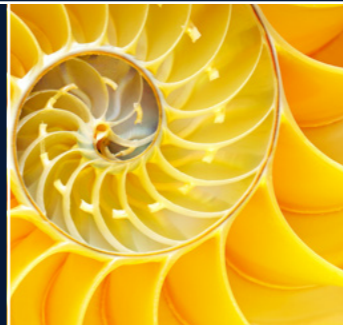





\* The PRI is an independent investor initiative supported by, but not part of, the United Nations.

\*\* RIIM = Responsible Investing Indicator Model.

\*\*\* T. Rowe Price Investment Management, Inc. (TRPIM).

\*\*\*\* In January 2025, NZAM announced that it is conducting a review to ensure it remains fit for purpose and is suspending activities to track signatory implementation and reporting.

\*\*\*\*\* T. Rowe Price and IFC are not affiliated companies.

<p><b>2006</b></p> <p><b>Diversity and Inclusion</b> Established Diversity and Inclusion function and team in Human Resources</p>	<p><b>2007</b></p> <p><b>Governance</b> Established dedicated Corporate Governance function</p>	<p><b>2008</b></p> <p><b>Corporate Responsibility</b> Investment policy on corporate responsibility established</p>		<p><b>2010</b></p> <p><b>PRI*</b> Signatory to the Principles for Responsible Investment (PRI)</p>	<p><b>2012</b></p> <p><b>CSR Report</b> First Corporate Social Responsibility (CSR) Report issued</p>		
<p><b>2013</b></p> <p><b>"E" and "S" Research</b> Sustainalytics appointed as specialized ESG research provider</p>	<p><b>2014</b></p> <p><b>Sustainalytics</b> Sustainalytics ESG ratings are embedded in company note templates</p>			<p><b>2017</b></p> <p><b>Responsible Investing</b> Established dedicated Responsible Investing team</p>	<p><b>2018</b></p> <p><b>RIIM Corporates**</b> Rollout of proprietary ESG rating system for equity and credit</p>		
		<p><b>2019</b></p> <p><b>RIIM Sovereigns</b> Rollout of proprietary ESG rating system for sovereigns</p>	<p><b>2020</b></p> <p><b>RIIM Municipal Bonds/ RIIM Securitized Bonds</b> Rollout of proprietary ESG rating system for municipal bonds and securitized bonds</p>	<p><b>ESG Reporting</b> Implemented portfolio-level ESG reporting</p>	<p><b>Launch of ESG Enhanced Products</b> Launched first suite of funds with ESG characteristics in Europe</p>	<p><b>Corporate Sustainability</b> Established dedicated Corporate ESG team</p>	<p><b>TCFD Supporter</b> Became a supporter of the Task Force on Climate-Related Financial Disclosures</p>
<p><b>2021</b></p> <p><b>TRPIM*** RIIM Corporates</b> Rollout of proprietary ESG research tool that builds an ESG profile for companies within TRPIM's U.S. investment universe</p>	<p><b>Global Impact Strategies</b> T. Rowe Price launched its first impact strategies</p>	<p><b>UN Global Compact</b> Became a signatory</p>	<p><b>IFRS Sustainability Alliance</b> Became a member (formerly the SASB Alliance)</p>	<p><b>2022</b></p> <p><b>NZAM</b> Signatory of the Net Zero Asset Managers initiative (NZAM)****</p>	<p><b>ESG Enablement</b> Established ESG Enablement team to optimize ESG initiatives</p>		
		<p><b>2023</b></p> <p><b>IFC Partnership</b> T. Rowe Price and the International Finance Corporation (IFC)***** announced plans to create first blue bond venture to support the sustainable blue economy across emerging markets</p>	<p><b>ESG Oversight Committee</b> Formalized governing body with oversight of ESG strategy, operations, policies, and disclosures</p>	<p><b>First Net Zero Transition Fund</b> Launched the Global Growth Equity Net Zero Transition Fund in the SICAV</p>		<p><b>2024</b></p> <p><b>Investor Climate Action Plan</b> Published the firm's inaugural Investor Climate Action Plan</p>	



# Governance

10 Board Oversight

14 Management's Role

17 Training and Culture

20 Business Ethics

22 Responsible Investing

30 Public Policy  
and Advocacy

# Board Oversight

The T. Rowe Price Group, Inc., Board of Directors (Board) sets the strategic direction for the firm, provides oversight, and advises our senior management. With the interests of our corporate stockholders and investment clients being unique and distinct, our governance structure includes separate Boards of Directors to represent the firm and our investment products.

The Board represents a group of leaders, elected by our stockholders annually, with a range of backgrounds, experience, education, and skills. The Board continually evaluates the needs of the firm, assessing and monitoring the expertise of its directors. It takes these considerations into account, together with any expected director departures and retirements, when deciding whether to nominate new independent directors to enhance and complement its existing skills and capabilities.

Of the independent directors, 56% joined the Board within the last six years; the average independent director tenure is seven years. The Board's thoughtful approach to its composition ensures a proper balance between new directors, who bring fresh and diverse perspectives, and the stability of the Board overall.

Our Board is composed of well-rounded, experienced leaders with skills and qualifications gained over the course of their careers, complementary to each other and relevant to T. Rowe Price's business. We believe our Board has the appropriate knowledge and experience to oversee any sustainability-related risks and opportunities that are financially material to our firm. The Board historically has valued varying perspectives brought by individuals of differing backgrounds and experiences. Our Board is not just composed of individuals knowledgeable about our business, but is also reflective of our clients, the communities we serve, and our stakeholders. We consider diversity as a factor relevant to any particular nominee and to the overall composition of our Board.

## Director Engagement

In 2024, the Board held seven meetings and approved one matter via unanimous written consent. Each director attended at least 75% of the combined total number of Board meetings and Board committee meetings of which he or she was a member. Consistent with the firm's Corporate Governance Guidelines, the independent directors met in an executive session at each of the Board's regular meetings in 2024. In keeping with our Corporate Governance Guidelines, all directors are expected to attend the annual meeting of stockholders.

## Committees of the Board of Directors

Our Board has an Audit Committee, an Executive Committee, an Executive Compensation and Management Development Committee (ECMDC), and a Nominating and Corporate Governance Committee (NCGC).

## Committee Charters

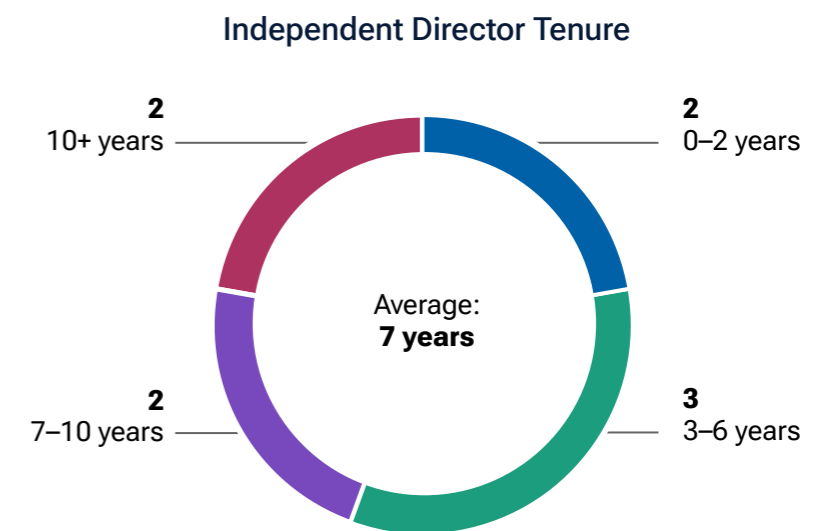
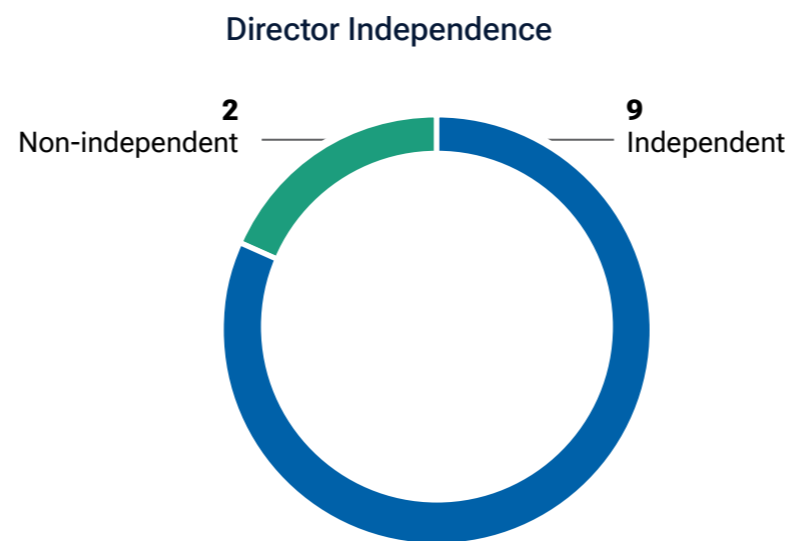
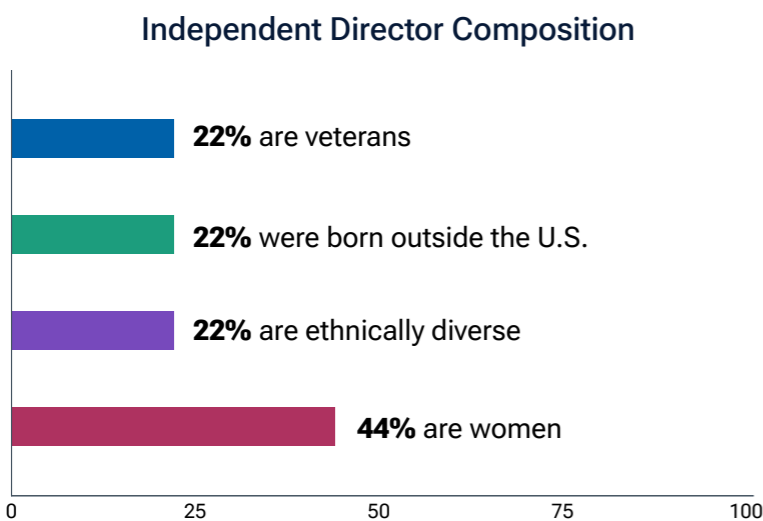
Current copies of the charters of the Audit Committee, the ECMDC, and the NCGC; our Corporate Governance Guidelines; and our Code of Ethics for Principal Executive and Senior Financial Officers can be found on our [website](#).

## Director Qualifications, Attributes, and Skills (as of December 31, 2024)

The chart below summarizes the specific qualifications, attributes, and skills for each director. A “■” in the chart below indicates that the director has meaningfully useful expertise in that subject area. The lack of a “■” does not mean the director does not possess knowledge or skill. Rather, a “■” indicates a specific area of focus or expertise of a director on which the Board currently relies.

Name	Executive Leadership	Financial Management	Investment Management Industry	International Business Experience	Technology	Strategy Formation/ Execution	Marketing/ Distribution	Government/ Regulatory
Robert W. Sharps	■	■	■	■		■	■	
Glenn R. August	■	■	■	■		■	■	
Mark S. Bartlett	■	■				■		■
William P. Donnelly	■	■		■	■	■	■	
Dina Dublon	■	■	■	■	■	■	■	
Robert F. MacLellan	■	■	■	■		■	■	■
Eileen P. Rominger	■	■	■	■		■	■	■
Cynthia F. Smith	■	■	■			■	■	
Robert J. Stevens	■	■		■	■	■	■	■
Sandra S. Wijnberg	■	■	■	■	■	■	■	■
Alan D. Wilson	■	■		■		■	■	

## Independent Directors (as of December 31, 2024)



## Committees With ESG Oversight<sup>†</sup>

We recognize that sustainability touches all parts of our business. To ensure we are appropriately identifying and managing potential sustainability-related risks and opportunities, such as climate risk, we have incorporated sustainability considerations into our core business functions, including those of our Board.

- **The Nominating and Corporate Governance Committee (NCGC)** oversees ESG across the firm, including ESG matters related to both the firm's operations and our investment activities. The NCGC oversees the setting of targets related to climate-related risks and opportunities and monitors progress toward those targets. The firm's Scope 1 and 2 net zero emissions target was approved by the NCGC at its February 2023 meeting. The ESG Enablement team generally briefs the NCGC biannually. Only independent directors serve on the NCGC. Additional details on the NCGC's responsibilities are available in its charter.<sup>1</sup>

- **The Audit Committee** considers ESG matters impacting any disclosures in our financial statements, including climate-related risks. The Audit Committee also receives updates from the firm's chief risk officer (CRO) and regularly discusses legal and regulatory developments with our general counsel. Additional details on the Audit Committee's responsibilities are available in its charter<sup>1</sup>.
- **The Executive Compensation and Management Development Committee (ECMDC)** considers how ESG matters may impact management compensation; specifically, the firm's ESG efforts when reviewing and approving general salary and compensation policies for management. The ECMDC's charter<sup>1</sup> provides more details on these responsibilities.

<sup>1</sup> The committee charter is not subject to review by independent certified public accountants.





**T. Rowe Price Group Board of Directors (From Left to Right)**

**Robert F. MacLellan**

Non-executive Chairman,  
Northleaf Capital Partners

**Eileen P. Rominger**

Former Senior Advisor,  
CamberView Partners

**William P. Donnelly**

Retired Executive Vice President,  
Mettler Toledo International, Inc.

**Cynthia Smith**

Senior Vice President, Regional Business  
and Distribution Development,  
MetLife, Inc.

**Mark S. Bartlett**

Retired Managing Partner,  
Ernst & Young

**Robert W. Sharps**

Chief Executive Officer and President,  
T. Rowe Price Group, Inc.

**Dina Dublon**

Retired Executive Vice President  
and Chief Financial Officer,  
JPMorgan Chase & Co.

**Glenn R. August**

Founder and Chief Executive Officer,  
Oak Hill Advisors, L.P.

**Sandra S. Wijnberg**

Former Partner and Chief  
Administrative Officer,  
Aquiline Holdings LLC

**Alan D. Wilson**

Retired Executive Chairman,  
McCormick & Company, Inc.

**Robert J. Stevens**

Retired Chairman, President,  
and Chief Executive Officer,  
Lockheed Martin Corporation

# Management's Role<sup>‡</sup>

The Management Committee strives to ensure that our clients' needs remain our first priority—today and in the future. Profiles of T. Rowe Price's leadership team, which is composed of 13 experts with an average tenure of 16 years at the firm, may be found [here](#).<sup>1</sup>

Eric Veiel, head of Global Investments, chief investment officer, and Management Committee member, oversees ESG strategy, risk, investing, and corporate sustainability at T. Rowe Price Associates, Inc. Under his leadership, our ESG Enablement and ESG Investing teams develop and manage TRPA's and TRPIM's sustainability initiatives in their respective areas of focus.

At OHA, the ESG Department reports to Bill Bohnsack, president and senior partner; Adam Kertzer, portfolio manager and senior partner; and Fritz Thomas, head of client coverage and partner. Mr. Bohnsack and Mr. Kertzer work closely with Glenn August, CEO of OHA, all of whom have management responsibility of OHA.

T. Rowe Price's Management Committee oversees risks, including climate-related risks, via the Enterprise Risk Management Committee (ERMC), chaired by the firm's chief risk officer (CRO). OHA maintains its own Risk Committee, and the CRO of T. Rowe Price serves on it.

Recognizing that ESG activities exist across multiple business units, the firm created the ESG Oversight Committee (ESGOC) in 2023. Cochaired by the firm's coheads of ESG Enablement, the ESGOC serves as a central and global body supporting governance around our ESG activities. The ESGOC reports to the Investment Management Steering Committee (IMSC), with regular updates to the ERMC. Mr. Veiel and the CRO serve on the ESGOC.

Additionally, Jeff Cohen, head of ESG and Sustainability at OHA, is a member of the ESGOC. This enables information sharing, while OHA maintains an autonomous structure for ESG governance.

The ESGOC is responsible for:

- Developing and driving T. Rowe Price's overarching ESG strategy
- Approving ESG-related memberships, disclosures, and corporate sustainability policies
- Ensuring coordinated, consistent, and prioritized execution of ESG initiatives and management of ESG risks
- Fostering ESG collaboration across the organization
- Embedding operational support for ESG across the organization at scale
- Monitoring performance against goals and targets.

Oversight of ESG investing policies, ESG integration, sustainable and impact investment, engagement, and proxy voting processes resides with the firm's ESG Investing Committees.<sup>2</sup> Senior leaders, portfolio managers, analysts, and ESG specialists, as well as representatives from legal and compliance, serve on these committees.

Further resources our organization relies on to help identify and assess climate-related risks and opportunities and to scope possible adaptation and mitigation strategies include:

- Third-party research and data
- Trade associations
- Sustainability reporting frameworks from organizations such as SASB, TCFD, and the International Sustainability Standards Board (ISSB).

<sup>1</sup> Hyperlinked information is not subject to review by independent certified public accountants.

<sup>2</sup> TRPA and TRPIM only.

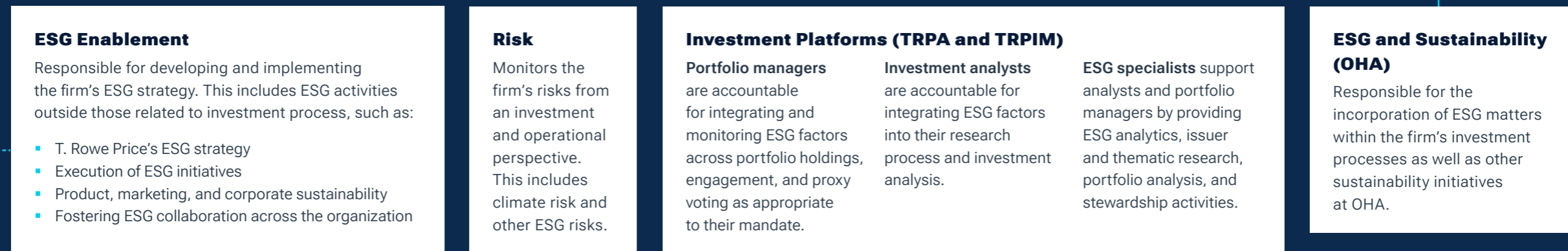
# Accountability<sup>‡</sup>

The following chart illustrates the firm's ESG accountability framework.

## Boards and Committees



## Implementation Teams



\* OHA is managed as a stand-alone business within T. Rowe Price Group, Inc., pursuant to agreements between OHA's principals and T. Rowe Price. Glenn August, CEO of OHA, has overall management responsibility for OHA and reports to Rob Sharps, CEO of T. Rowe Price Group, Inc.

\*\* RIIM refers to the proprietary Responsible Investing Indicator Models built by TRPA and TRPIM. RIIM rates issuers using a traffic light system measuring their environmental, social, and governance profile and flagging companies with elevated risks. TRPA RIIM has a framework for rating corporate, sovereign, securitized, and municipal issuers, whereas TRPIM RIIM only has a framework for rating corporate issuers.

## Steering Committees<sup>3</sup>

Various steering committees established by our Management Committee assist with setting the strategic policy and direction for specific areas of the firm. These committees include Ethics; U.S. Equity; Fixed Income; International Equity; Multi-Asset; Investment Management; Enterprise Risk Management; Strategic Operating; Diversity, Equity, and Inclusion; Retirement Leadership Council; Management Committee; Corporate Strategy; Product Strategy; and ESG Oversight Committees.

## Incentive Alignment<sup>3</sup>

At TRPA and TRPIM, an individual's annual performance assessment includes a range of factors, including conduct and collaboration, putting clients first, acting with integrity and accountability, cultivating intellectual curiosity and innovation, embracing inclusion, being disciplined and risk aware, pursuing excellence with passion and humility, compliance with internal policies and procedures (including the Global Code of Conduct), and completion of role-related compliance training courses on an annual basis.

TRPA and TRPIM investment professionals are responsible for incorporating sustainability risk and ESG considerations, including climate-related risks and opportunities, into their investment recommendations and investment decisions, as appropriate for the mandate. As such, this is part of the assessment criteria in year-end performance reviews and compensation.

Compensation of our senior leaders is not tied directly to ESG-related key performance indicators.

OHA maintains its own policy for investment professionals' performance reviews, which also considers ESG integration.

<sup>3</sup> This section is not subject to review by independent certified public accountants.



# Training and Culture

## Training on ESG Topics

TRPA and TRPIM continually build awareness and knowledge of ESG among its global associates that they believe is critical to help meet the evolving needs of clients and to strengthen ESG capabilities. In 2024, they continued to build awareness and knowledge of ESG among global associates, ensuring client-facing distribution teams have the necessary knowledge to support the changing needs of clients and to strengthen understanding of their evolving ESG capabilities.

Their ESG training and education program was formalized in 2023, and in 2024 they continued to build their inventory of foundational education resources. The program offers a variety of training and education types to serve different associates according to their job responsibilities and level of leadership.

- **ESG global and regional training**—ESG investment specialists, product, legal, and compliance teams continued to provide regular training and education spanning a number of topics, including regional regulation, ESG product initiatives, the Responsible Investing Indicator Model (RIIM) tools, impact investing, ESG ratings, and climate-related issues.
- **Educational video modules**—Building on a series of education video modules on ESG integration reported in 2023, they launched four additional educational video series covering ESG investment solutions, ESG proprietary tools, RIIM tools for corporates, and impact investing. These were released and promoted to targeted associate populations in Distribution and Investment business units. They also began development of a new series that will focus on net zero transition framework and further in-depth education on TRPA's impact investing capabilities, both anticipated to launch in 2025.
- **Global distribution client skills training**—They launched a comprehensive, global training plan on their net zero transition framework in 2024, aimed at increasing the knowledge base among their global relationship managers and client service associates.
- **ESG presentation circles**—They developed a program in 2024 for a select cohort of portfolio specialists, investment specialists, and portfolio analysts focused on ESG messaging in client presentations and other communications. Its objective is to enable participants to deliver effective, differentiated messaging around the integration of ESG into their investment processes.
- **Targeted distribution channel training**—In 2024, for the third consecutive year, all 1,300+ TRPA associates in the Individual Investors group in the Americas region completed a required online internal training course on ESG. Its objective is to enable participants to continue to develop an understanding of ESG investing in order to better communicate with internal and external clients on the firm's ESG approach, resources, and capabilities.
- **Fitch Learning**—As reported in 2023, the Fitch ESG Advanced course was offered for Distribution teams globally, in partnership with Fitch Learning. The course included four modules covering ESG Reporting Framework, Sustainable Finance, Impact Investing, and Climate Fundamentals. Associates completed the Fitch ESG Advanced course by mid-2024.
- **Principles for Responsible Investment (PRI) Academy**—For the second consecutive year, they offered responsible investing training from PRI Academy, an external supplier, to certain global client-facing associates. PRI Academy offers various foundational and specialized courses with the aim of equipping industry professionals with a common language of ESG, based on the latest thinking in responsible investment.

- **ESG distribution forum**—A regularly held meeting for the purpose of identifying client insights globally to inform the development of our ESG capabilities and communication. ESG representatives from distribution teams reflect the views of global clients and local markets. The participants in the forum share insights and best practice and bring together regional client perspectives on key initiatives.
- **Chartered Financial Analyst® (CFA®)**<sup>1</sup>—They support the development of their staff through relevant training and development opportunities such as completion of the CFA® qualification and CFA Institute Certificate in ESG Investing.

Management is responsible for determining whether the appropriate skills and competencies are available to identify, assess, monitor, and manage sustainability-related risks and opportunities, including climate-related considerations. Internal resources are supplemented with external learning opportunities to enhance organizational capacity. They will continue to develop more content and education sessions to meet the needs of our associates and evolve with regulatory and governance requirements.

OHA's ESG & Sustainability team conducts training throughout the year for the investment team as well as for client-facing associates. Training for the investment team primarily focuses on ESG integration within the investment process. The ESG team also provides regular updates and dedicated training sessions to all OHA staff on various subjects related to sustainability.

## Embedding Sustainability in Our Culture

T. Rowe Price fosters a culture of sustainability through programming managed by the ESG Enablement and Corporate Real Estate & Workplace Services teams and the firm's associate-led Global Sustainability Network. Sustainability is a guiding principle that helps drive our operational business practices, partnerships, and workplace culture. We actively work to integrate sustainable solutions, ensuring long-term value for our stakeholders and a positive impact on the local communities.

In conjunction with our upcoming move to Harbor Point, we are actively encouraging associates to donate items that are distributed throughout various Baltimore organizations.

To promote education and awareness, we actively engage our associates and partners through initiatives such as increased signage and sustainability network-led events such as lunch and learn sessions with vendors.

Throughout our operations, we work to integrate thoughtful design principles into how we approach building design and culture, introducing biophilia, reusable wares, increasing compostable materials, and furniture selection.

To help associates understand their personal carbon footprint and consider actions to address it, the firm partnered with Climate Vault to launch a carbon emissions calculator for our workforce. After using the calculator to estimate their emissions, associates can consider making a donation to Climate Vault to address their partial or full carbon footprint. Donations to Climate Vault are matched by the firm as part of its global Matching Gift program. Climate Vault also serves as the firm's partner to address emissions from business travel. Additional information on the partnership is on page 71.

<sup>1</sup> CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

Recognizing the pivotal role each individual plays in shaping a sustainable future, the firm's Global Sustainability Network spearheads initiatives that integrate sustainability into our culture. The Global Sustainability Network works to engage our workforce through a variety of events and content throughout the year.

Additionally, each spring, the Global Sustainability Network hosts a nature photography contest. This initiative celebrates biodiversity and serves as a powerful awareness-raising tool, which is showcased in our London office.

The team's commitment to sustainability extends beyond events to regularly published communications. Our Global Sustainability Network continuously develops engaging content, such as blogs, articles, and internal communications, to keep our associates informed and inspired.

OHA maintains its own Sustainability Network, which seeks to inspire and educate its employees on the value and importance of sustainability at the firm and in the broader community. In 2024, the OHA Sustainability Network established three pillars to organize the network's main focuses: corporate sustainability, education and awareness, and volunteering and philanthropy. The network organized several events and educational sessions focused on waste reduction, composting, and sustainable consumption. Additional information is available in OHA's [ESG Report](#).



# Business Ethics

## Responsible Marketing<sup>‡</sup>

We are a fiduciary to many of our clients. It is critical that we provide timely information to our clients and prospects. Every communication must be:

- Accurate
- Clear
- Fair and balanced
- Not misleading

We distribute this information through [troweprice.com](https://www.troweprice.com) to 28 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 websites, we provide ongoing communications through our social media channels.

Associates supporting both TRPA and TRPIM leverage the T. Rowe Price Associates Global Marketing Communications Regulatory Review Policy to ensure that sales and marketing communications are reviewed by specially trained associates to ensure compliance with local regulatory requirements and firm policies for the intended audience. These associates also confirm that risks are 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.

The following product-specific documents have been made readily available in relevant jurisdictions on our websites and through links in product-related communications:

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

TRPA and TRPIM maintain written policies and procedures that form their Compliance Manual. Depending on an associate's responsibilities and/or location, they may need to register with the relevant securities authority. For example, in the U.S., registration as a securities representative and/or a principal with the Financial Industry Regulatory Authority (FINRA) and appropriate state regulatory agencies through their broker-dealer, T. Rowe Price Investment Services, Inc. (TRPIS), may be required.

TRPIS also maintains written supervisory procedures (WSPs) to comply with applicable rules and regulations. These WSPs require certain 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 UK and the European Union (EU), associates may be subject to minimum knowledge and competence standards and/or other fitness and propriety standards to engage clients. These requirements stem from the Markets in Financial Instruments Directive (MiFID) and, from a UK 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 Global Code of Conduct, which sets standards of ethical conduct expected of all our associates. It also provides the framework for conducting business in a fair and ethical manner.

Compensation programs for sales professionals supporting TRPA and TRPIM are expected to focus on the best long-term interests of clients and reward both qualitative and quantitative performance. They do not use solely formulaic incentives or commissions, as they believe these can place undue focus on shorter-term results at the expense of longer-term success. They provide competitive fixed salaries, annual cash bonuses, and for more senior roles, annual awards of long-term incentives.

OHA policies and procedures echo those of T. Rowe Price Associates, requiring marketing communications to be accurate, not misleading, fair, and balanced. When conducting broker-dealer marketing activities in connection with TRPIS, OHA registered representatives follow written policies and procedures designed to comply with FINRA requirements, including, but not limited to, Series 24 review of materials prior to use and determination of qualifications of investors prior to marketing.

## Whistleblower Policies and Procedures<sup>†</sup>

As a global investment management firm, we are committed to conducting our business with the highest level of integrity and ethics. Every associate worldwide has an obligation to speak up if they encounter a situation that raises a real or potential legal or ethical concern, regardless of location. Questionable conduct can be reported:

- Directly to an associate's line manager. Managers are expected to escalate issues to the Legal, Compliance, and Audit Department as necessary;
- Anonymously, via the Whistleblower Hotline<sup>1</sup> (administered by an independent, external third party);
- To the general counsel, respective chief compliance officer, senior compliance manager, or regional head of Human Resources, verbally or in writing. This can be done anonymously in writing using internal mail and a confidential envelope; or
- Via a confidential website staffed by a third-party vendor.

<sup>1</sup> All employees of T. Rowe Price Group have access to the hotline via various internal websites. TRPA and TRPIM make the number available to customers via external websites. OHA does not make the number available externally.

\* Hyperlinked information is not subject to review by independent certified public accountants.

Our Legal, Compliance, and Audit Department promptly investigates reports from the hotline. The general counsel 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 Global Code of Conduct.

T. Rowe Price's whistleblower policy adheres to the following regulations:

- Section 1107 of the Sarbanes-Oxley Act of 2002: Criminal penalties for retaliation against whistleblowers (U.S., 18 U.S.C. § 1513(e))
- Section 21F of the Securities Exchange Act of 1934 (U.S., 15 U.S.C. § 78u-6)
- Consumer Financial Protection Act (U.S., 12 U.S.C. § 5567)
- OSC Policy 15601 Whistleblower Program (Canada, 41 OSCB 7745)
- Whistleblower Protection Act (Japan, Act No. 122 of 2004)
- Circular of the Luxembourg Financial Sector Supervisory Commission 18/698
- Italian legislative decree no. 24/2023 (implementing the EU Whistleblowing Directive)
- Spanish Law 2/2023 (implementing EU Whistleblowing Directive)
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (EU MiFID II) (as transposed and implemented into UK law on 31 December 2020 (UK MiFID II))
- SYSC 18 (Whistleblowing) of the UK FCA Handbook.

During 2024, T. Rowe Price had no violations of whistleblower regulations.



### Additional information\*

Advisory clients of U.S.-registered advisers can also find our Forms ADV at [adviserinfo.sec.gov](https://adviserinfo.sec.gov).

Our [Global Code of Conduct](#) sets out basic principles to guide employee conduct. Our code is supported by other policies, programs, and employee training.

# Responsible Investing<sup>†</sup>

Financially material ESG factors are an important consideration, alongside other factors, to identify investment opportunities and manage investment risks. At T. Rowe Price, this is known as ESG integration, and it is an investment capability that has been embedded in equity and fixed income investment research platforms.

The process of ESG integration takes place on two levels: first, with research analysts as they consider ESG factors as part of the overall security valuation and rating process; and second, with the portfolio managers as they balance ESG factor exposure at the portfolio level. Both the analysts and portfolio managers are able to leverage dedicated, in-house resources to assist them in analyzing ESG criteria.

Specialist ESG teams at TRPA and TRPIM provide investment research on ESG issues at the security level and on thematic topics. They have each built a proprietary Responsible Investing Indicator Model (collectively, RIIM<sup>1</sup>), which forms the foundation of our ESG integration process. RIIM provides two key benefits: a uniform standard on due diligence of ESG factors across our investment platforms and a common language for our analysts, portfolio managers, and ESG specialists to discuss how an investment is performing on ESG and to compare securities within the investment universe.

RIIM frameworks have been developed for different asset classes covering equities and corporate bonds, sovereign bonds, municipal bonds, and securitized bonds.<sup>2</sup> The RIIM frameworks are unique for each asset class as the level and type of ESG data available vary across asset classes. Additional information on RIIM is included in the Climate-Related Strategy (page 37) section of this report, and a chart detailing oversight can be found on page 15.

For corporate and sovereign securities as well as select categories of securitized bonds, we are able to leverage third-party ESG datasets and feed those directly into our RIIM frameworks. This allows us to generate a quantitative RIIM profile for a wide breadth of issuers. This quantitative set of scores is an important starting point in our ESG evaluation process as it is oriented at identifying financially material ESG factors and helps us quickly identify any outliers, both positive and negative. Additionally, it creates a baseline understanding of our investment universe from which we delve deeper using fundamental analysis on a narrower universe of securities. The breadth of coverage provided by using this quantitative data as a first step is also instrumental in informing our engagement program.

For municipal and some securitized issuers, the ESG data universe is still developing and datasets are still evolving for these sub-asset classes. TRPA ESG specialists and credit analysts conduct ESG analysis at the security level, leveraging third-party research and their own fundamental research to develop a RIIM profile for select securitized and municipal issuers.

<sup>1</sup> RIIM refers to the proprietary responsible investing indicator models built by TRPA and TRPIM. RIIM rates issuers using a traffic light system, measuring their environmental, social, and governance profile and flagging companies with elevated risks. TRPA RIIM has a framework for rating corporate, sovereign, securitized, and municipal issuers, whereas TRPIM RIIM only has a framework for rating corporate issuers.

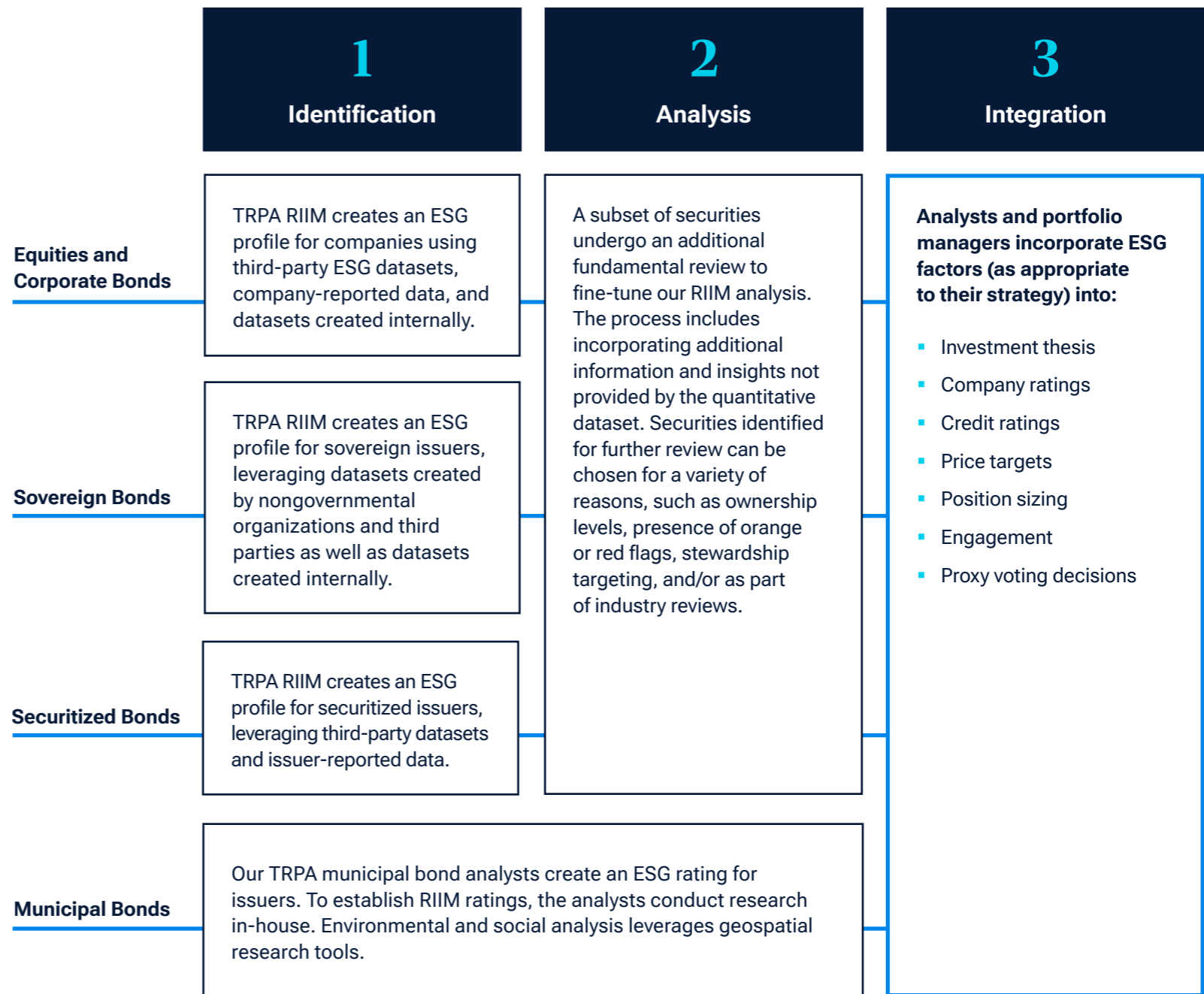
<sup>2</sup> The implementation and oversight of RIIM for TRPA and TRPIM differ. The TRPIM RIIM covers equities only. TRPA has RIIM coverage of more than 15,000 corporate issuers, 200 sovereign issuers, 1,700 municipal issuers, and 1,400 securitized issuers. TRPIM has RIIM coverage of approximately 6,500 corporate issuers. For certain types of investments, including, but not limited to, cash, currency positions, and particular types of derivatives, an ESG analysis may not be relevant or possible due to a lack of data. Where ESG considerations are integrated into the investment research process, we may conclude that other attributes of an investment outweigh ESG considerations when making investment decisions.

At OHA, the investment team utilizes an OHA-designed methodology, which is based on SASB Standards. OHA applies a credit lens to the SASB Standards, and the investment team uses this framework to inform underwriting for each company in which OHA invests. Additional determinants involve a relative comparison between material factors and associated financial implications, as well as climate risk implications informed by the TCFD. Companies are evaluated and scored across environmental, social, and governance considerations on a five-point scale. Certain issuers are excluded from this process. OHA applied a credit lens to the SASB standards and created this framework for the investment team to begin utilizing in September 2022.

ESG integration is applied across applicable investment strategies comprising 90% of T. Rowe Price assets under management (AUM) as of December 31, 2024, which includes our active and fundamental strategies across our equity and fixed income platforms.<sup>3</sup> We currently do not integrate ESG analysis into our passive strategies or our cash and money market funds. For our multi-asset portfolios, ESG factors are integrated at the underlying internally managed equity and fixed income portfolio level across applicable investment strategies.

Within each of our entities, our ESG research at an issuer or thematic level is shared with our portfolio managers and analysts via our internal research and portfolio management systems accessible via their desktops. In addition, we regularly share comprehensive portfolio-level ESG assessments with portfolio managers.

## TRPA RIIM Frameworks Across Asset Classes



<sup>3</sup> ESG AUM data are not subject to review by independent certified public accountants.

Information on how climate-related risks and opportunities are considered is available in the TCFD-aligned sections of this report. The [ESG policy](#) and [Investment Policy on Climate Change](#) covering TRPA and TRPIM provide additional details.<sup>4</sup> T. Rowe Price entities do not currently conduct climate scenario analysis systematically at the portfolio or investment strategy level.

In addition to RIIM, the TRPA Responsible Investing team has developed other proprietary frameworks to help us deliver sustainable investment solutions<sup>5</sup> and/or comply with regulatory requirements. While RIIM is used across asset classes and supports various investment strategies with differing objectives, these other frameworks support the evaluation of securities within specific asset classes and investment objectives.

These include: a framework for evaluating the credentials of **ESG-labeled bonds**, an **Impact Template** for consistent evaluation of impact activities, a **Net Zero Status** module to allow us to track an issuer’s progress on its path to net zero, and modules for assessing and identifying sustainable investments as defined by the **EU Taxonomy** and **EU Sustainable Finance Disclosure Regulation (SFDR)**.

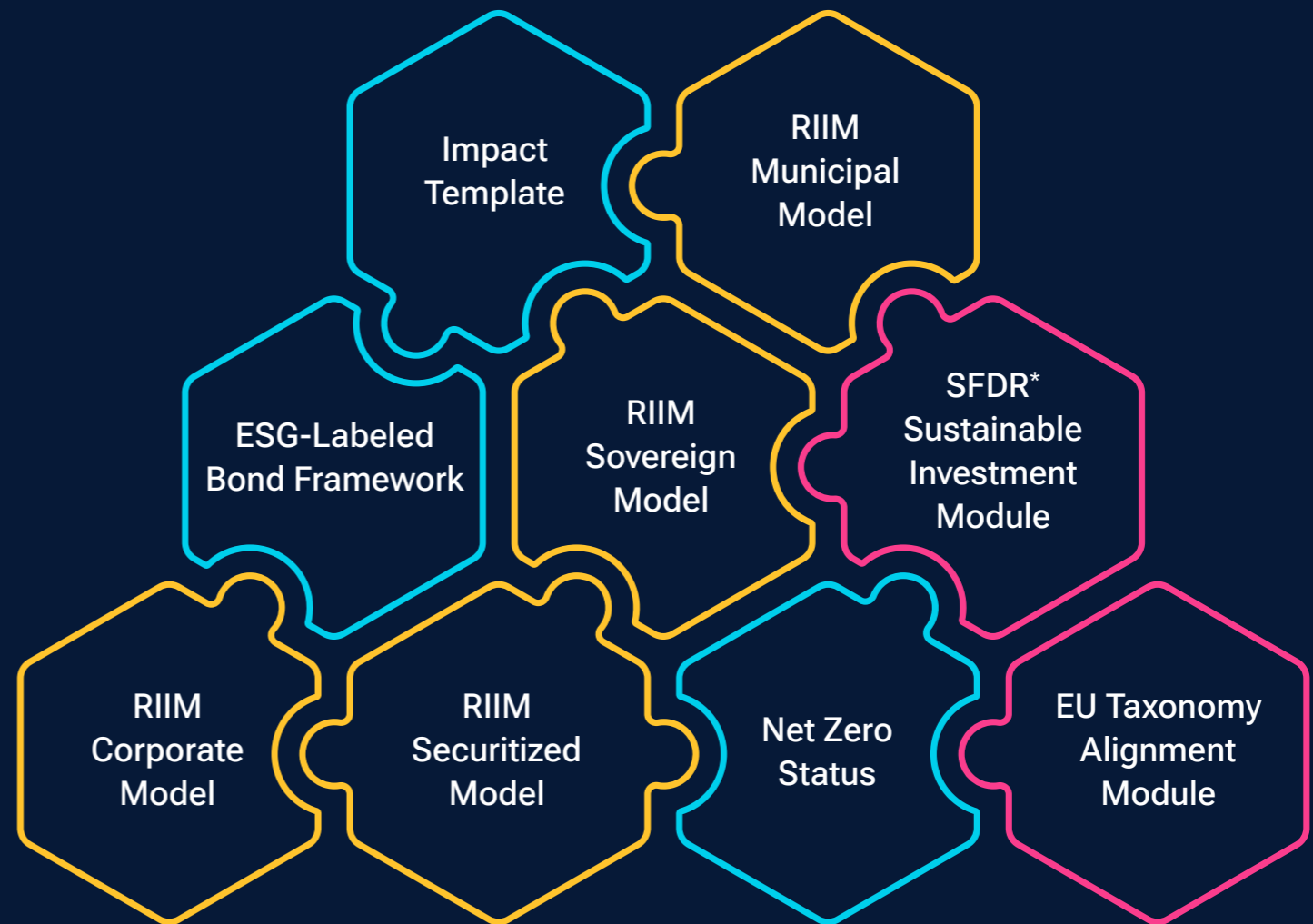
<sup>4</sup> Hyperlinked information is not subject to review by independent certified public accountants.  
<sup>5</sup> Sustainable solutions refers to investment products or separate accounts that have a sustainable objective or promote ESG characteristics.

## Building a Comprehensive ESG Profile

Applying a constant and systematic process across asset classes.

Various models work in collaboration to build a comprehensive ESG profile.

- Other TRPA proprietary frameworks
- RIIM models
- Regulatory modules



\* Sustainable Finance Disclosure Regulations (SFDR).

## 2024 Trends<sup>‡</sup>

In 2024, ESG trends watched by the TRPA Responsible Investing team included the changing regulatory landscape around greenhouse gas (GHG) mitigation, the environmental and social implications stemming from the rise of artificial intelligence, national defense, and energy security, among other topics.

- **Energy transition**—Regulation aimed at decarbonization of economies around the world has made energy transition a significant trend for many years. In 2024, more than 70 countries covering more than half of the world's population held elections, and a frequent theme was incumbents losing power due at least in part to cost-of-living pressures. In response, we have seen a change of pace regarding climate-related regulation from many countries ranging from delayed implementation of specific rules to larger-scale repeals of regulation and climate transition funding provisions.
- **National defense and energy security**—The proliferation of conflicts in Ukraine and the Middle East has highlighted the importance of national security (particularly across Europe) and refocused government priorities into defense spending and other national security concerns, such as energy supply. The shift toward electrification and zero-carbon energy sources will likely drive new energy security dynamics in the future, but in the near term, countries are having to navigate an energy security agenda that balances current fossil fuel requirements with future energy requirements.
- **The rise of AI**—AI has the potential to bring tremendous social and environmental benefits; however, its development also presents risks, such as intellectual property misuse, cybersecurity vulnerabilities, privacy concerns, misinformation, harms to civil rights, and national security threats. AI's rapid advancement is also driving concerns on energy supply (particularly low- or zero-carbon energy) and water availability. Water scarcity is intensifying in many parts of the world, and semiconductor manufacturers and data centers are expanding into regions with a high risk of water stress.
- **Nuclear energy**—Following the trends of energy security and AI, the nuclear energy renaissance was a significant theme in 2024.

TRPIM is also following these global trends, as well as trends in the U.S. related to growth in energy demand and considerations related to responsible AI and Board oversight of AI development.

At OHA, improving access to ESG data within the alternative credit markets remains a key focus, as OHA firmly believes that greater disclosure, transparency, and harmonization will help drive action and effective engagement, which may ultimately lead to real-world outcomes. OHA works closely with its peers, banks, and private equity firms to enhance industry collaboration and promote the consistent disclosure of key ESG indicators.

## Investment Products With ESG Mandates<sup>6</sup>

TRPA and TRPIM offer select investment products and mandates that promote environmental and/or social characteristics through use of exclusions, alignment to sustainable investments, and/or positive ESG tilts. We also provide investment products and mandates that target specific sustainable objectives alongside financial return, such as the transition to net zero or positive environmental or societal impact.

As of December 31, 2024, USD 83 billion assets<sup>7</sup> (5% of total assets under management) were deemed to be in accounts with a mandate that promotes environmental and/or social characteristics or have a sustainable objective that includes ESG criteria, defined in SASB standards as portfolios that apply screening or are sustainability themed.

<sup>6</sup> The following section is not subject to review by independent certified public accountants.

<sup>7</sup> AUM represents assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.

The entire USD 83 billion used more than one ESG strategy (e.g., screening and ESG integration). The criteria for screening are that the account needs to apply exclusion lists based on involvement in activities that could be harmful to the environment or society (e.g., tobacco, gambling) or positive ESG screening criteria (e.g., sustainable investment alignment targets and/or positive ESG tilt), while sustainability-themed portfolios include impact and net zero products.

Many of these assets are in separate accounts, which allow our clients to choose specific screening criteria that align with their values and/or sustainable objectives.

In 2024, TRPA continued to grow its investment product offerings in the sustainability-themed category with the launch of two additional Net Zero Transition funds.

	Financial Only	ESG Enhanced	Net Zero <sup>8</sup>	Impact <sup>8</sup>
Objective	Seeks to deliver competitive financial returns	Seeks to promote specific ESG characteristics alongside financial returns	Seeks to deliver financial returns while promoting the transition to net zero	Seeks positive societal and/or environmental impact alongside financial returns
Approach	Analyzes ESG factors for the purpose of maximizing investment performance	Incorporates binding social and/or environmental commitments that vary by product type, such as: <ul style="list-style-type: none"> <li>▪ Customized exclusions</li> <li>▪ Greenhouse gas (GHG) reduction targets</li> <li>▪ Alignment to sustainable investments</li> <li>▪ Customized benchmarks</li> <li>▪ Positive ESG tilt, including those using RIIM<sup>9</sup></li> </ul>	Customized mandate seeks to align with 1.5°C scenario by incorporating commitments, such as: <ul style="list-style-type: none"> <li>▪ Portfolio net zero status</li> <li>▪ Net zero stewardship</li> <li>▪ GHG emissions reduction</li> <li>▪ Climate solutions alignment</li> <li>▪ Climate-related Principle Adverse Impacts (PAIs)</li> <li>▪ Customizable options</li> </ul>	100% positive impact holdings that meet T. Rowe Price’s impact criteria, including impact thesis, theory of change, and measurable key performance indicators.  Multi-asset impact strategies can help clients meet additional objectives, such as risk/return profile optimization.

<sup>8</sup> Net zero and impact products available through TRPA only. TRPIM does not currently have any net zero or impact products.

<sup>9</sup> RIIM rates companies in a traffic light system, measuring their environmental, social, and governance profile and flagging companies with elevated risks.

Note: Not all vehicles are available in all jurisdictions. There is no guarantee that any product will meet its objectives or achieve any particular level of performance or desired environmental and/or social outcomes.

## ESG Assets Under Management

2024	Equity AUM \$Billions (USD)	Fixed Income AUM \$Billions (USD)	Cash AUM \$Billions (USD)	Other AUM \$Billions (USD)	Totals \$Billions (USD)
ESG Integration <sup>10</sup>	\$807	\$138	\$0	\$500 <sup>11</sup>	\$1,446
Sustainability Themed	\$1.6	\$1.4	\$0	<\$0.1	\$3
ESG Screening	\$56	\$26	\$0	<\$1	\$83

ESG AUM data are not subject to review by our independent certified public accountants. Portfolios may be assigned to multiple ESG categories.

## Proxy Voting<sup>‡</sup>

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, in line with their fiduciary duties. Proxy voting is a key element of stewardship responsibilities. When casting votes on behalf of clients, our goal is to foster long-term success for the company and its investors.

The TRPA and TRPIM ESG Investing Committees develop our positions on all major proxy voting issues, create guidelines, and oversee the voting process for our respective investment advisers, excluding OHA. Proxy voting undertaken by OHA is immaterial due to its investment activities being predominantly focused on credit.

In establishing proxy policies each year, the committees rely on fundamental research, independent research provided by an outside proxy adviser, and information presented by company managements and shareholder advocates. When deciding how to vote on a particular proxy, governance specialists and industry analysts review the guidelines, with input from the Responsible Investing

team if applicable, prior to sending their recommendation to the portfolio manager. Should a portfolio manager wish to cast a vote that is counter to the guidelines, they are required to document their reasons.

The TRPA and TRPIM ESG Investing Committees are made up of experienced investment professionals from our Equity, Fixed Income, and Multi-Asset Divisions as applicable, as well as senior members of equity management. The committees meet semiannually to evaluate the prior year's proxy voting activity, consider changes to the proxy voting guidelines, and evaluate any policy updates.

A separate set of proxy voting guidelines is administered for the TRPA impact strategies. These portfolios require a separate voting policy because they have a dual mandate: competitive financial returns as well as positive social and/or environmental impact. A separate set of proxy voting guidelines is also administered for the TRPA strategies that are subject to an explicit net zero investment framework. These portfolios require a separate voting policy because they have two explicit mandates: competitive financial returns as well as alignment with net zero goals. In order to meet these objectives, portfolios under impact and net zero mandates may vote differently from other T. Rowe Price funds, particularly on director elections and shareholder proposals.

### In total, TRPA portfolios voted on 73,700 proposals across all regions in 2024, including:

- 71,375 management proposals and 2,325 shareholder proposals.<sup>12</sup>
- Among the shareholder proposals, 1,466 were situations where shareholders were nominating directors to a company's Board or technical proposals related to such nominations.
- 304 were resolutions asking companies to adopt specific corporate governance practices.

<sup>10</sup> The AUM reflects portfolios where the portfolio manager uses ESG integration. However, some of the asset classes or financial instruments in these portfolios are not part of the ESG integration process due to the type or nature of those financial instruments or asset classes and/or lack of data (e.g., cash, currency positions, and particular types of derivatives).

<sup>11</sup> This represents assets managed by T. Rowe Price's Multi-Asset Division and Oak Hill Advisors, L.P. (OHA). For the multi-asset portion (88.6%), the metric is calculated based on the underlying sub-investment strategies of our multi-asset products (e.g., target date portfolios, SICAVs) that utilize ESG integration, not the total AUM of those multi-asset products. For the OHA portion (11.4%), the entire portfolio is considered as using ESG integration. However, a small portion of legacy investments may not have considered ESG factors.

<sup>12</sup> The numbers total more than 73,700 due to how shareholder proposals are tracked when portfolio managers have differing votes.

**TRPIM portfolios voted on 6,673 proposals across all regions in 2024, including:**

- 6,396 management proposals and 277 shareholder proposals.
- Among the shareholder proposals, 19 were situations where shareholders were nominating directors to a company’s Board or technical proposals related to such nominations.
- 89 were resolutions asking companies to adopt specific corporate governance practices.

All votes are cast exclusively by proxy.

TRPA and TRPIM 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. Throughout 2024, the firm continued making these disclosures for all its proprietary products semiannually, instead of annually. Vote disclosures for the first and second half of each year were posted eight weeks after each period-end.

In addition, TRPA and TRPIM publish reports for clients, highlighting important corporate governance trends from the prior 12 months and aggregating proxy voting decisions into categories. They also provide our institutional clients with a customized record of their portfolios’ voting activities upon request.

TRPA provides not only voting decisions, but also rationales for key votes. These include votes against management; votes on shareholder proposals; and any other votes deemed controversial, informative, or significant.

Proxy voting is one element of the overall relationship with corporate issuers.

**Other contexts in which TRPA and TRPIM might use their voice 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

Where a company is not making sufficient progress in line with their expectations, the investment analyst will have a perspective on a company’s situation. Materiality is assessed on a case-by-case basis alongside other investment considerations. The ultimate decision on how to escalate—whether that be to vote against the directors if the company is held in an equity strategy or to divest—sits with the portfolio managers. Overweighting/underweighting relative to the strategy’s benchmark is another tool at their disposal. When an ESG risk or benefit is identified, it may cause the portfolio manager to adjust his or her weighting of the holding.

Their investment-driven engagement program frequently identifies targets through their proprietary RIIM analyses, governance screening, and analysts’ fundamental research. ESG engagement meetings are carried out by their ESG specialists and occasionally by their portfolio managers and analysts from equity and fixed income teams.

Throughout the course of 2024, TRPA engaged with issuers on 777 separate occasions on ESG topics. TRPIM undertook 151 ESG engagements. They classify these meetings as ESG engagements when they contained a notable discussion of ESG topics.

TRPA and TRPIM systematically track ESG-related expectations, or “targets,” set with issuers they engage; the process also supports the timely review and monitoring of ongoing engagements. These targets are then categorized into those seeking enhanced disclosure and those related to a specific business practice which they believe raises risk to their investment thesis.

Each target is tracked against a status, capturing whether it is initiated, in progress, achieved, closed but not met (failed or inactive), or escalated because the target is still in progress but has not been met in a timely fashion. Many of their targets have a multiyear time horizon of up to three years, particularly where they are requesting that an issuer address a business practice. The chart below depicts the breakdown of TRPA targets by status as at the end of 2024.

TRPA and TRPIM do not have a default position of voting in favor of management in particular markets or on particular issues. Each entity's default position is to vote in line with its custom voting guidelines. TRPA and TRPIM evaluate each vote individually based on these voting guidelines. Additional details on their approach to proxy voting, including regional considerations, are published in the [TRPA Proxy Voting Guidelines](#) and the [TRPIM Proxy Voting Guidelines](#).<sup>13</sup>

### TRPA: Engagement Target Status by Target Type

Data as of December 31, 2024

Target Type	Enhanced Disclosure	Changes to Practice
<b>Initiated</b> A target has been communicated to the issuer	679	515
<b>In Progress</b> The issuer has evidenced steps taken toward achieving the target	103	91
<b>Escalated</b> A target has not been met within the expected timeline and is at risk of not being achieved	15	13
<b>Achieved</b> The target has been met, either exactly as specified or in an equivalent way	287	192
<b>Failed</b> A target has not been met within the expected timeline and is now not realistically expected to be met	37	34
<b>Inactive</b> The target is no longer applicable (e.g., the entity no longer exists or is no longer owned)	24	33
<b>Total Number of Targets</b>	1,145	878

Within OHA, the team views engagement as an opportunity for constructive dialogue and promoting transparency and disclosure around important ESG factors for company management consideration. OHA utilizes a tailored approach toward engagement based on factors such as level of control and access to management. Engagement varies across strategies and is influenced by transaction type, timing considerations, access to information, access to company management, and relationships with interested parties. OHA prioritizes areas that it believes are most material to the credit profile of the company, which can vary greatly among companies and industries.

In control investments<sup>14</sup> where OHA has governance rights, OHA is generally able to exert more influence on ESG matters compared with syndicated loans or public bonds where there are typically a large number of lenders. In these control investments, the OHA investment professionals work closely with the OHA ESG & Sustainability team to promote transparency and disclosure while elevating awareness of important ESG issues for company management and stakeholders. In syndicated or public investments, where OHA may have less access to management, collaborating with key field-building initiatives and trade associations to promote transparency and disclosure provides an opportunity to elevate the awareness of important ESG issues for company management consideration. In situations where financially material ESG issues are not addressed or prioritized by the company, OHA may avoid investment or divest its holdings if it believes there are financially material ESG risks.

During 2024, OHA logged more than 100 engagements with companies, sponsors, or other interested parties in an effort to advance the goals outlined above.

<sup>13</sup> Hyperlinked information is not subject to review by independent certified public accountants.

<sup>14</sup> Control indicates that OHA owns 10% or more of the company's equity and/or had a Board seat or Board observer rights.

# Public Policy and Advocacy

Our Public Policy Engagement and Political Participation Policy governs the firm's approach to advocacy, including through our participation in trade associations.

Our Legislative and Regulatory Affairs (LRA) team, together with other key internal stakeholders, participates in advocacy initiatives on a selective and strategic basis. We may provide input to relevant trade associations or engage individually on a particular regulatory consultation. Starting in 2024, the ESG Oversight Committee receives a report on our ESG advocacy for their review.

One of our key advocacy priorities is to support the improvement of climate-related financial reporting aligned to current and upcoming standards, including those of the International Sustainability Standards Board (ISSB). We believe that the adoption of both of the ISSB's IFRS S1 (general sustainability) and S2 (climate-related) disclosure standards represents a significant step toward global alignment of voluntary corporate sustainability reporting frameworks in order to provide decision-useful disclosures for investors that focus on financial materiality. In this regard, in 2024, we responded to 11 consultations, expressing support for the adoption of the ISSB standards in Thailand, Hong Kong, Mexico, Chile, South Korea, Japan, China, Canada, Singapore, Australia, and Malaysia.

In addition, our ESG investment professionals participate in a variety of working groups globally to help define and develop standards and frameworks that promote best practices. For example, TRPA's head of ESG, Fixed Income was elected to the Executive Committee of the Principles of the International Capital Market Association (ICMA) and appointed to the Sovereign Debt Advisory Committee of the Principles for Responsible Investment (PRI).



## ESG Memberships<sup>1</sup>

In 2023, the ESGOC adopted a process for joining and maintaining corporate ESG memberships.

### T. Rowe Price Memberships

#### Global initiatives and standards

**Principles for Responsible Investment (PRI)**  
Signatory since 2010

**International Corporate Governance Network (ICGN)**  
Member since 2021

**IFRS Sustainability Alliance (formerly the SASB Alliance)**  
Member since 2021

**United Nations Global Compact**  
2021 signatory

**International Capital Market Association (ICMA)**  
Member since 2024



#### Regional initiatives and standards

##### United Kingdom

**UK Stewardship Code**  
Signatory since 2020

**UK Investor Forum**  
Founding member since 2017

**30% Club Investor Group – UK Chapter**  
Member since 2021

##### Netherlands

**Eumedion**  
Member since 2024

##### United States

**Council of Institutional Investors (CII)**  
Associate member since 1989

**Investor Stewardship Group (ISG)\***  
Founding member since 2017

**International Endowments Network (IEN)**  
Investment management member since 2023

##### Canada

**Responsible Investment Association of Canada**  
Member since 2024

##### Asia

**Japan Stewardship Code**  
Signatory since 2014

**Asia Corporate Governance Association (ACGA)**  
Member since 2016

**Japan Stewardship Initiative**  
Founding member since 2017

**30% Club Investor Group – HK Chapter**  
Member since 2024

##### Emerging Markets

**Emerging Markets Investors Alliance**  
Member since 2020

<sup>1</sup> As of December 31, 2023, at least one T. Rowe Price entity is a signatory, founder, or member of the listed groups committed to change. T. Rowe Price may be a member of other initiatives, standards, working groups, or other organizations not listed. Additionally, individual T. Rowe Price associates may be members of working groups not listed.

\* The Investor Stewardship Group Board approved the dissolution of the group effective December 31, 2024.

## Climate related

### Institutional Investors Group on Climate Change (IIGCC)

Member since 2020

### Task Force on Climate-Related Financial Disclosures (TCFD)

Supporter since 2020

### TCFD Consortium (Japan)

Member since 2021

### Net Zero Asset Managers Initiative\*

Signatory since 2022

### Investor Group on Climate Change (Australia)

Full membership since 2023

## Impact investing

### Responsible Investment Association Australasia (RIAA)

Member since 2020

### Global Impact Investing Network (GIIN)

Member since 2021

### Japan Impact-driven Financing Initiative

Signatory since 2022

### Impact Consortium Japan

Member since 2024

## Thematic engagement

### Farm Animal Investment Risk & Return (FAIRR) Initiative

Member since 2020

### Access to Medicine Index

Signatory since 2021

### Access to Nutrition Initiative

Signatory since 2022

### ESG Integrated Disclosure Project

Supporter since 2023



## Working groups

### European Leveraged Finance Association – ESG Committee

Member since 2019

### Loan Syndications & Trading Association (LSTA) – ESG Committee

Member since 2019

### Alternative Credit Council – Global Responsible Investment Committee

Member since 2020

### Investment Association Climate Change Working Group

Member since 2020

### ACGA Japan Working Group

Member since 2020

### Pensions and Lifetime Savings Association (PLSA) Stewardship Advisory Group

Member since 2020

### Investment Management Education Alliance (IMEA) ESG Committee

Member since 2021

### ACGA China Working Group

Member since 2022

### Taskforce on Nature-Related Financial Disclosures (TNFD)

Forum member since 2022

### ICMA (Impact Reporting, Social Bonds, Climate Transition Finance, Sustainability-Linked Bonds)

Member since 2022

### GC100 and Investor Group – Directors’ Remuneration Reporting Guidance

Member since 2023

### IIGCC (Sovereign Bonds and Country Pathways Working Group; Derivatives and Hedge Funds Working Group)

Member since 2023

### PRI’s Sustainable Systems Investment Managers Reference Group (SSIMRG)

Member since 2023

### ACGA India Working Group

Member since 2024

### PRI Private Debt Advisory Committee

Member since 2024

### PRI Sovereign Debt Advisory Committee

Member since 2024

### Eumedion Investment Committee

Member since 2024

\* In January 2025, NZAM announced that it is conducting a review to ensure it remains fit for purpose and is suspending activities to track signatory implementation and reporting.

## OHA Memberships

### Initiatives and standards

#### Initiative Climat International (iCI)

Signatory since 2022

#### Principles for Responsible Investment

Signatory since 2019

#### ESG Integrated Disclosure Project (ESG IDP)

Founding member since 2022



## Trade Associations

For a full list of the corporate memberships<sup>2</sup> that T. Rowe Price maintains with trade associations<sup>3</sup> and to which USD 25,000 or more in membership fees and/or dues were paid in the past 12 months, please refer to the [Policies and Disclosures on Political Activities](#) section on our Policies webpage.

<sup>2</sup> Corporate memberships refer to the memberships with trade associations that are maintained by T. Rowe Price as a corporate entity. The individual memberships of individual employees of T. Rowe Price are not included in this definition.

<sup>3</sup> T. Rowe Price defines "trade associations" as industry trade groups, business or sector associations, and other organizations that are focused primarily on promoting the specific interests of its members and providing a forum for collaboration between member entities. We do not consider organizations that are primarily focused on providing certifications or on providing educational opportunities for its members as trade associations.

# Environmental

- 35 Our Position on Climate Change
- 36 Climate Transition Plan Summary
- 37 Climate-Related Strategy

- 53 Managing Climate Risks
- 57 Climate-Related Metrics and Targets



# Our Position on Climate Change

We recognize that climate change poses a significant risk to the global economy and the stability of financial markets. Our position on climate is outlined below.

- **As an asset manager, we are a fiduciary.** When managing investments, we view climate change considerations through a fiduciary lens, with a focus on financial performance and risk management.
- **We support the goals of the Paris Climate Agreement because we believe that a smooth climate transition will create a more stable economic environment, reduce uncertainty, and enable business investment.** This should result in better long-term outcomes for the companies and securities in which we invest on behalf of our clients.
- **Governments lead the way.** We believe that it is the role of governments to establish clear, coordinated, and stable policies and regulations to enable markets to transition to net zero in an orderly fashion.
- **We believe in active management of climate risks and opportunities.** We believe that, over time, climate change and the transition to net zero will impact almost all securities and asset classes. As active investors, we consider climate risks and opportunities by taking environmental factors into account as part of our security analysis. Through active management, we can help our clients navigate the transition by being dynamic and responsive to changes in valuation, technology, regulation, and investment time horizons.
- **We believe in active, engaged ownership.** We engage constructively with companies to encourage a thoughtful transition to net zero. We advocate for greater transparency for climate-related information and data.
- **We believe our role is to help clients determine how climate impacts their portfolios and provide solutions that meet their needs.** For most of our clients, their sole objective is risk-adjusted financial performance. For these portfolios, integration of ESG-related<sup>1</sup> risks and opportunities forms part of our fundamental research process. Some clients choose to extend their investment objectives beyond financial considerations alone, and in such cases, we will work with them to develop solutions that meet their needs.
- **As a corporate entity, we are committed to achieving net zero across our own operations.** We have set a target to achieve net zero in Scope 1 and 2 emissions by year-end 2040. We are committed to reducing Scope 1 and 2 emissions by 75% by year-end 2030 compared with our 2021 baseline.

<sup>1</sup> ESG considerations form a part of our overall research process, helping us alongside other factors to identify investment opportunities and manage investment risk. This is known as ESG integration. However, we may conclude that other attributes of an investment outweigh ESG considerations when making investment decisions.

# Climate Transition Plan Summary

To achieve the goals of the Paris Climate Agreement, companies will need to work toward decarbonization. An orderly transition will require coordinated and timely action, with businesses working together with governments. The development and publication of climate transition plans, with improved disclosures and data quality, will help advance these endeavors.

Our climate transition plan has been defined by our guiding philosophy, coupled with publicly available guidance from standard-setting organizations, such as the Transition Plan Taskforce. This helps ensure that our policies are science-based and linked to transition scenarios and pathways. The progress of our transition plan is dependent on factors such as client demand for investment strategies

with decarbonization goals and the availability of economically viable carbon-free energy to power our operations across our global locations.

We view this as a journey, and while progress has been made through our sustainability programs over the years, we are in the early stages of decarbonization.

The summary below offers an overview of the critical elements of our climate transition plan, and details can be found throughout this report. Please refer to the Investor Climate Action Plan Index (page 101) for references to specific topics and where insights on them can be located.

## As an Asset Manager

As the majority of our assets under management are managed for clients with a mandate to deliver financial performance, a target to reduce financed emissions would not be appropriate. Instead, our strategy focuses on stewardship and product offerings.

## As a Company

Our emissions reduction strategy is focused on the emissions that we control.

## Stewardship

- Advocate for industry standards regarding climate disclosures.
- Incorporate climate issues into our active stewardship program.
- Publish our engagement and proxy voting statistics.

## Products and Mandates

- Suite of impact products.
- Investment solutions that apply the Net Zero Transition Framework.
- ESG integration that seeks to maximize risk-adjusted financial returns and considers climate risks and opportunities when financially material.

## Operations

- Achieve net zero Scope 1 and 2 emissions by year-end 2040.
- Reduce Scope 1 and 2 GHG emissions by 75% by year-end 2030 compared with 2021 base year.
- Pursue initiatives to address select categories of Scope 3 emissions from operations.

## Engagement with stakeholders

# Climate-Related Strategy

The firm's climate-related strategy is enabled by our comprehensive approach to identifying and managing risks—including climate change—as a corporate entity and an investment manager. Our enterprise risk management framework is aligned with the three lines of defense model, as discussed in the section Our Risk Management Framework.

As part of our approach, the Enterprise Risk Group (ERG), led by our chief risk officer (CRO), provides expertise and support for the execution of our risk management framework. The ERG works with individuals with functional expertise across the business who are responsible for identifying and addressing potential climate-related risks for their areas of responsibility.

The Enterprise Risk Management Committee (ERMC), chaired by our CRO, and composed of business leadership across the firm, plays an important role in managing climate-related risks and opportunities. The ERMC has oversight of our enterprise risk management framework, which includes managing climate-related risks and opportunities identified that could have a material impact on our firm over short-, medium-, and long-term time horizons.

The ERMC receives regular updates from our ESG Oversight Committee (ESGOC), the ERG, and business leadership on risk issues, responses, and mitigation plans, with the chair of the ERMC reporting into the Management Committee. The CRO is also a member of the ESGOC. This collaboration is integral to consistently monitoring and addressing climate-related risks and opportunities at the highest levels of the firm's management structure.

We have identified the most significant climate risks to our business as:

1. Impact on investment performance,
2. Impact on client preferences for investment products,
3. Regulatory impact,
4. Impact on the firm's reputation, and
5. Impact of acute disruptions to our operations brought on by major weather events.

The ERG is responsible for leading our corporate risk assessment efforts by partnering with business units to identify risks, determine acceptable levels of risk tolerance, and implement actions to mitigate such risks. The ERG recently formalized environmental and social risk as a distinct risk category to monitor, although components of these risks had been assessed in prior years.



## Climate-Related Risks and Mitigation Strategies<sup>†</sup>

The following table outlines the climate-related risks that might impact the firm's products, investment strategies, and corporate operations.

ⓧ = Significant    Ⓢ = Short term (less than 1 year)    Ⓜ = Medium term (2–5 years)    Ⓛ = Long term (5+ years)

Description	Mitigation	Monitoring Process	Potential Impact
<b>Transition Risks</b>			
<p><b>Regulatory</b> ⓧ Ⓢ Ⓜ Ⓛ</p> <p>New regulations and changes in existing regulation may lead to increased compliance costs, enhanced reporting obligations, regulation of existing products and/or services, exposure to litigation, and aggressive or inconsistent levels of regulatory enforcement globally. If regulators take differing approaches (versus adopting global standards), this could increase costs.</p>	<p>Dedicated resources to monitor and review global ESG/climate regulatory proposals (pre-implementation stage) and determine impact to T. Rowe Price. Project management and business resources are engaged to ensure final regulatory requirements are met and implemented in a timely manner.</p>	<p>The risk of litigation, as well as existing and emerging regulatory requirements related to climate change, are continuously evaluated by our Legal, Compliance, and Audit Department and incorporated into the firm's overall risk management program.</p>	<ul style="list-style-type: none"> <li>Change in client preferences for investment products</li> <li>Increased compliance costs</li> <li>Regulatory fines</li> <li>Carbon taxes levied or other environmental fines</li> <li>Greater expenses for ESG data</li> </ul>
<p><b>Technology</b> Ⓢ Ⓜ Ⓛ</p> <p>Transitioning to lower-emissions technologies for our own corporate footprint, along with the substitution of existing assets and related services with lower-emissions options, may require additional expenditure.</p>	<p>Evaluation of energy/power use per building. Invest in lower-emitting technology over time. Movement to cloud and software as a service from on-premises. Evaluation of energy costs within build versus buy analysis for new hardware and software.</p>	<p>T. Rowe Price tracks costs inherent to transitioning to lower-emissions technologies for its own corporate footprint, along with the substitution of existing assets and related services with lower-emissions options.</p>	<ul style="list-style-type: none"> <li>Substitution of obsolete assets</li> <li>Capital investments in new technologies</li> <li>Costs to adopt lower-emissions processes</li> </ul>
<p><b>Market (Investment Performance Related)</b></p> <p>ⓧ Ⓜ Ⓛ</p> <p>Energy transition may drive volatility in financial market performance and/or deviation in performance across specific regions and industries. The risk may be further exacerbated in the event of a disorderly transition.</p>	<p>We consider material climate factors part of our investment process through our proprietary RIIM tools. Portfolio managers and analysts consider these data as a part of the investment process. As predominately active investors, the firm is well positioned to evaluate the impact of this systematic change and take action, as warranted, on a case-by-case basis.</p>	<p>Analysts and portfolio managers are accountable for considering climate-related factors within their investment process as part of ESG integration. This is considered as part of year-end performance evaluation and incentive compensation. Additionally, the firm's active stewardship program helps mitigate climate risks within investment portfolios.</p>	<ul style="list-style-type: none"> <li>Volatile or unfavorable market conditions leading to underperformance of investment portfolios</li> </ul>

Description	Mitigation	Monitoring Process	Potential Impact
<b>Transition Risks</b>			
<p><b>Market (Product Related)</b> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">X</span> <span style="background-color: #0070C0; color: white; border-radius: 50%; padding: 2px;">S</span> <span style="background-color: #70AD47; color: white; border-radius: 50%; padding: 2px;">M</span> <span style="background-color: #800080; color: white; border-radius: 50%; padding: 2px;">L</span></p> <p>Climate change may influence client preferences by increasing the demand for investment products oriented toward climate change mitigation. Clients may request more customization on their separate accounts and/or pooled vehicles in order to align with their individual climate goals. Conversely, a climate backlash could negatively impact demand for climate- or transition-related products.</p>	<p>We have a range of net zero transition and impact investment products. Additionally, the majority of our SICAV range is classified as Article 8.</p>	<p>The ESG Enablement team is responsible for working in partnership with the Product team to execute our strategy for investment product offerings with environmental and/or social mandates.</p>	<ul style="list-style-type: none"> <li>▪ Lower market share if product suite does not align with client preferences</li> <li>▪ Increased costs associated with providing more customized products</li> <li>▪ Increased costs for ESG data</li> <li>▪ Reduced assets under management</li> </ul>
<p><b>Operations</b> <span style="background-color: #70AD47; color: white; border-radius: 50%; padding: 2px;">M</span> <span style="background-color: #800080; color: white; border-radius: 50%; padding: 2px;">L</span></p> <p>Regulatory environmental standards may require participation in energy reduction initiatives, energy efficiency programs, or renewable energy programs.</p>	<p>We are targeting net zero Scope 1 and 2 emissions by year-end 2040 and a 75% reduction by year-end 2030 compared with our 2021 baseline. Our strategy may consider evaluation of energy contracts and energy efficiency improvements in our operations, among other initiatives.</p>	<p>These considerations are reflected in the firm's environmental management planning strategy, managed by our Corporate Real Estate &amp; Workplace Services team.</p>	<ul style="list-style-type: none"> <li>▪ Increased costs from carbon taxes or other environmental levies</li> </ul>
<p><b>Reputation</b> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">X</span> <span style="background-color: #0070C0; color: white; border-radius: 50%; padding: 2px;">S</span> <span style="background-color: #70AD47; color: white; border-radius: 50%; padding: 2px;">M</span> <span style="background-color: #800080; color: white; border-radius: 50%; padding: 2px;">L</span></p> <p>If we are perceived to fall short of our own corporate commitments or stakeholder expectations on climate and sustainability, particularly in regard to our fiduciary duty to clients, this may impact our brand, influence clients' willingness to do business with us, and affect our workforce's willingness to remain. It also exposes us to potential litigation risk.</p>	<p>We have corporate sustainability goals related to GHG emissions reduction and our facilities. Our commitments are articulated in our public disclosures (e.g., TCFD, SASB, website, Stewardship Report).</p>	<p>T. Rowe Price has a comprehensive risk management program in place that is designed to help reduce any impact on clients or the firm. This multilayered, cross-functional approach ensures that the firm routinely tracks shifts in client preferences, associate feedback, and stockholder ratings and assessments.</p>	<ul style="list-style-type: none"> <li>▪ Drop in stock price due to negative stakeholder feedback</li> <li>▪ Negative impact on workforce management (i.e., employee attraction and retention)</li> <li>▪ Reduced assets under management due to negative client feedback</li> </ul>

Description	Mitigation	Monitoring Process	Potential Impact
<b>Physical Risks</b>			
<p><b>Acute</b> <span>X</span> <span>S</span> <span>M</span> <span>L</span></p> <p>An extreme weather event—such as a cyclone, wildfire, 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 and workforce disruptions.</p>	<p>The firm has local crisis management plans that ensure business continuity by mobilizing resources—employees and facilities—to address the fallout of an acute event in order to sustain service levels for clients. The Corporate Real Estate &amp; Workplace Services team will be developing a future leasing strategy that will formally assess and consider the impact of physical climate risks on our facilities.</p>	<p>External events, such as severe weather or natural disasters, receive ongoing attention, given their potential impact on business activities, including impacts on our facilities and related infrastructure and technologies. Our ERG oversees business continuity and factors extreme weather events into business continuity planning.</p>	<ul style="list-style-type: none"> <li>▪ Loss of workforce productivity</li> <li>▪ Disruptions to supplier engagements</li> <li>▪ Market reaction to valuations could result in declines in asset values and potential loss of revenue</li> <li>▪ Increased operating and capital costs to manage the impact of the event</li> </ul>
<p><b>Chronic (Investment Performance Related)</b></p> <p><span>S</span> <span>M</span> <span>L</span></p> <p>Within our investment portfolios, changes in weather patterns around the world can impact companies in which the firm invests on behalf of our clients. Weather pattern changes may cause our investment professionals to reevaluate investments in affected companies. Valuations may be impacted, resulting in declines in asset values and potential loss of revenue.</p>	<p>We incorporate climate-related investment analysis into our investment process to mitigate the potential impact on our portfolios.</p>	<p>Analysts and portfolio managers are accountable for considering climate-related factors within their investment process as part of ESG integration. This is included as part of their year-end evaluation and compensation. Additionally, the firm’s active stewardship program helps mitigate climate risks within investment portfolios.</p>	<ul style="list-style-type: none"> <li>▪ Negative impact to asset values could result in declines in assets under management and potential loss of revenue.</li> </ul>
<p><b>Chronic (Operations Related)</b> <span>M</span> <span>L</span></p> <p>Rising sea levels may increase the risk of flooding to our Baltimore office, and increasing wildfires could impact our operations in various locations. 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>	<p>Corporate Real Estate &amp; Workplace Services plans to embed physical risk considerations into a future leasing strategy, working with the Business Continuity team to ensure that there are sufficient considerations in business continuity planning.</p>	<p>Our headquarters is our largest waterfront location. The National Oceanic and Atmospheric Administration’s Sea Level Rise Map shows that our new headquarters at Harbor Point will not be affected by sea level rises of seven feet. However, surrounding roadways and infrastructure may be impacted by sea level rises of three feet or more. Our remote work capabilities enable associates to work from home if roadways and infrastructure used to commute are compromised. Our Business Continuity team is developing a long-term plan that seeks to assess and mitigate specific impacts to all locations over 10 to 30 years.</p>	<ul style="list-style-type: none"> <li>▪ Increased operating and capital costs</li> <li>▪ Increased insurance premiums and potential for reduced availability of insurance</li> <li>▪ Reduced ability to attract talent</li> </ul>

## Consideration in Investment Products and Strategies<sup>†</sup>

Asset managers have exposure to climate risks and opportunities through the investments made on behalf of clients. We believe that these risks and opportunities can impact investment performance and client demand for investment product offerings. The process for identifying, assessing, and managing climate-related risks and opportunities is outlined in the Managing Climate Risks section of this report.

We expect that financial markets will experience more volatility in the event of a delayed and/or disorderly transition, as the likelihood of physical climate risk will be greater and the regulatory impact may be more severe. While climate change risks and opportunities are present across all geographies and sectors, they will likely be more pronounced for issuers in regions taking limited action to address climate risk from a regulatory standpoint, those more likely to experience greater physical impacts, and in high-emitting sectors.

While financed emissions from assets under management can generate significant carbon footprints, most of these assets are managed for clients that have given us a mandate to deliver financial performance. As a result, we have not set a binding net zero target for our assets under management that would supersede the firm's fiduciary duty to deliver financial returns and manage risk, unless specified by the client or investment product. Instead, the firm's strategy has been to manage climate-related risks and opportunities by:

1. Considering climate and other environmental factors within investment analysis (for the purpose of maximizing risk-adjusted returns) and
2. Offering select investment products that have environmental mandates.

The first helps mitigate climate-related risks on investment strategy financial performance, while the second helps address changing client preferences. In the short and medium terms, we believe the risks and opportunities that could stem from the impact of climate change on client preferences are most material in Europe, the UK, Japan, and Australia.

From an opportunity perspective, our Responsible Investing professionals work alongside analysts and portfolio managers to help identify and research environmental trends that increase the market opportunities for the companies in which we invest.

We believe environmental and social factors, including climate change, can impact financial performance of our investee companies and other issuers, and we therefore integrate analysis of these factors into our research process for the purpose of maximizing long-term risk-adjusted returns. We consider material climate risks and opportunities as part of security selection, portfolio review, and discussions with companies as well as sovereign, securitized, and municipal bond issuers.

As illustrated on the next page, our evaluation of climate-related factors focuses on energy transition and physical risk, but we also believe an issuer's environmental footprint and track record are important indicators that can help us understand how they may perform in a tightening regulatory environment. As such, our RIIM frameworks include a range of inputs; a few examples are highlighted in the illustration of TRPA's corporate RIIM framework. Green scores of <0.5 reflect positive ESG characteristics and/or low ESG risks. Orange scores of between 0.5 and 0.75 reflect elevated levels of ESG risks. Red scores between 0.75 and 1 reflect high ESG risks.

Within both the TRPA and TRPIM RIIM analyses, consideration of environmental factors is driven by materiality, and the weight applied to each factor will vary based on industry or asset class.

When it comes to considering climate-related risks and opportunities at a broader level (e.g., portfolio or investment universe level), we generally center on our core evaluation metrics listed below, as well as engagement.

TRPA RIIM<sup>2</sup> Example

Not Material 0.75–1.00 0.50–0.74 0.00–0.49

Environment	Operations	Supply Chain (Environment)	<ul style="list-style-type: none"> <li>Scope and quality of supply chain management</li> </ul>
		Raw Materials	<ul style="list-style-type: none"> <li>Raw material procurement standards and statistics</li> </ul>
		Energy and Emissions	<ul style="list-style-type: none"> <li>Scope and quality of energy management systems</li> <li>Carbon intensity and trend</li> <li>Scope and quality of net zero targets</li> <li>Scope of GHG reporting</li> </ul>
		Land Use	<ul style="list-style-type: none"> <li>Biodiversity programs</li> <li>History of land use incidents</li> </ul>
		Water Use	<ul style="list-style-type: none"> <li>Water intensity and trend</li> </ul>
		Waste	<ul style="list-style-type: none"> <li>Hazardous waste management</li> </ul>
		General Operations	<ul style="list-style-type: none"> <li>History of environmental incidents</li> </ul>
	End Products	Environment Product Sustainability	<ul style="list-style-type: none"> <li>Environmental sustainability of end product</li> </ul>
		Products and Services Environmental Incidents	<ul style="list-style-type: none"> <li>Environmental incidents associated with end product</li> <li>Environmental impact on local communities</li> </ul>
	Social	Human Capital	Supply Chain (Social)
Employee Safety and Treatment			
Diversity, Equity, and Inclusion (DEI)			
Society		Society and Community Relations	
End Product		Social Product Sustainability	
		Product Impact on Human Health and Society	<ul style="list-style-type: none"> <li>Contribution to local pollution</li> </ul>
	Product Quality and Customer Incidents		
Governance	Business Ethics		
	Bribery and Corruption		
	Lobbying and Public Policy		
	Accounting and Taxation		
	Board and Management Conduct		
	Remuneration		
	ESG Accountability	<ul style="list-style-type: none"> <li>ESG reporting accountability</li> </ul>	

Core Evaluation Metrics:

- RIIM environment scores
- GHG footprint
- Net zero status
- Climate solutions alignment<sup>3</sup>

How each of the evaluation metrics is considered within a portfolio context will vary based on data availability and the investment strategy. For example, a portfolio with very limited data availability may not find the GHG footprint to be a decision-useful metric. Instead, that strategy may place a greater focus on RIIM environment scores and climate solutions alignment (both of which can be generated through T. Rowe Price’s own fundamental research and, as such, do not have to be dependent on third-party data providers) as well as stewardship. In other cases, data availability may be good, but the portfolio’s investment strategy may be more aligned with specific indicators, and that will determine which of the evaluation metrics are weighted most heavily by the portfolio manager.

OHA maintains a separate process for factoring in climate risk implications into its investment decisions. These considerations are informed by TCFD and its interconnection with SASB’s industry-specific standards. OHA believes an industry-specific approach aligns well with its investment process and allows for the most appropriate risk assessment. Pairing this top-down approach to climate risk assessment with bottom-up company-specific analysis will allow for proper contextualization and time horizon assignment of these risks. Additional information is available in OHA’s [Climate Policy](#).<sup>4</sup>

Across all of T. Rowe Price Group’s investment advisers, management of climate-related risks for a particular investment product is dependent upon the mandate given by the client. In the case where a client has set a sole mandate to deliver financial performance, climate-related risk mitigation is limited to evaluating environmental factors as part of our investment process for the purpose of maximizing financial performance.

<sup>2</sup> The implementation and oversight of RIIM for TRPA and TRPIM differ.

<sup>3</sup> TRPA only.

<sup>4</sup> Hyperlinked information is not subject to review by independent certified public accountants.

## TRPIM RIIM<sup>5</sup> Example

Not Material
0.75–1.00
0.50–0.74
0.00–0.49

Category	Sub-Category	Item	Materiality	Notes
Environment	Operations	Supply Chain Environment	0.00–0.49	Scope and quality of supply chain management
		Raw Materials	Not Material	Raw material procurement standards and statistics
		Energy and Electricity	0.50–0.74	Scope and quality of energy management systems
		Emissions	0.50–0.74	Carbon intensity and trends
		Land Use	0.00–0.49	Biodiversity programs History of land use incidents
		Water Use	0.50–0.74	Water intensity and trend
		Waste	0.50–0.74	Hazardous waste management
		Environment End Products	Environment Product Sustainability	0.75–1.00
	Products and Services Environmental Incidents		0.75–1.00	Environmental incidents associated with end product
	Social	Human Capital	Supply Chain Social	0.00–0.49
Employee Safety and Treatment			0.00–0.49	
Diversity, Equity, and Inclusion			0.00–0.49	Diversity statistics and internal initiatives
Society		Society and Community Relations	0.00–0.49	
Societal End Product		Social Product Sustainability	0.00–0.49	
		Product Impact on Human Health and Society	0.00–0.49	
		Product Quality and Customer Incidents	0.00–0.49	
Ethics		Business Ethics	0.00–0.49	
		Bribery and Corruption	0.00–0.49	
		Lobbying and Public Policy	0.75–1.00	
Governance	Board	Board Quality	0.00–0.49	
		Board Structure	0.00–0.49	
	Remuneration	Remuneration	0.00–0.49	
	Stakeholders	Ownership and Shareholder Rights	0.00–0.49	
		Stakeholder Governance	0.00–0.49	
		Auditing and Financial Accounting	0.50–0.74	ESG reporting accountability

A small but growing number of clients have elected to apply various climate-related targets to their investment mandates (such as net zero or GHG reduction targets). These clients have elected to pursue climate-related outcomes as well as financial performance.

### Investment Solutions for Clients With Climate-Related Goals<sup>‡</sup>

TRPA and TRPIM offer practical solutions for asset owners interested in aligning their investments to net zero by 2050. These typically incorporate one or a combination of the following four commitments:

1. Net zero stewardship
2. T. Rowe Price Net Zero Transition Framework
3. GHG emissions reduction
4. Climate solutions alignment<sup>6</sup>

Because these commitments constrain the investment universe to varying degrees, they need to be considered carefully alongside the financial objectives of a client's specific mandate.

Mandates electing a **net zero stewardship** approach use engagement and voting to encourage investee companies to follow best practices with regard to net zero disclosure and climate strategy. These mandates apply the T. Rowe Price net zero proxy voting guidelines.

Mandates electing a **Net Zero Transition Framework** approach apply portfolio-level targets for the distribution of net zero status among the underlying holdings, in addition to utilizing net zero stewardship. This framework seeks to gradually increase net zero alignment at the portfolio level by setting binding net zero alignment targets for 2030, 2040, and 2050.

<sup>5</sup> The implementation and oversight of RIIM for TRPA and TRPIM differ.

<sup>6</sup> TRPA only.

In keeping with our efforts to promote best practices, the framework is anchored to an existing industry standard, the Paris Aligned Investment Initiative's Net Zero Investment Framework (PAII NZIF) and leverages our active management capabilities. In addition to customized client solutions for separate account clients, we offer several open-ended funds for investors with net zero objectives, which collectively had USD 1 billion in assets under management as of December 31, 2024.<sup>7</sup>

Setting portfolio-level targets on **greenhouse gas (GHG) reduction** is another approach that can be implemented. While not forward-looking, some asset owners find it helpful to allow them to meet their own financed emissions targets.

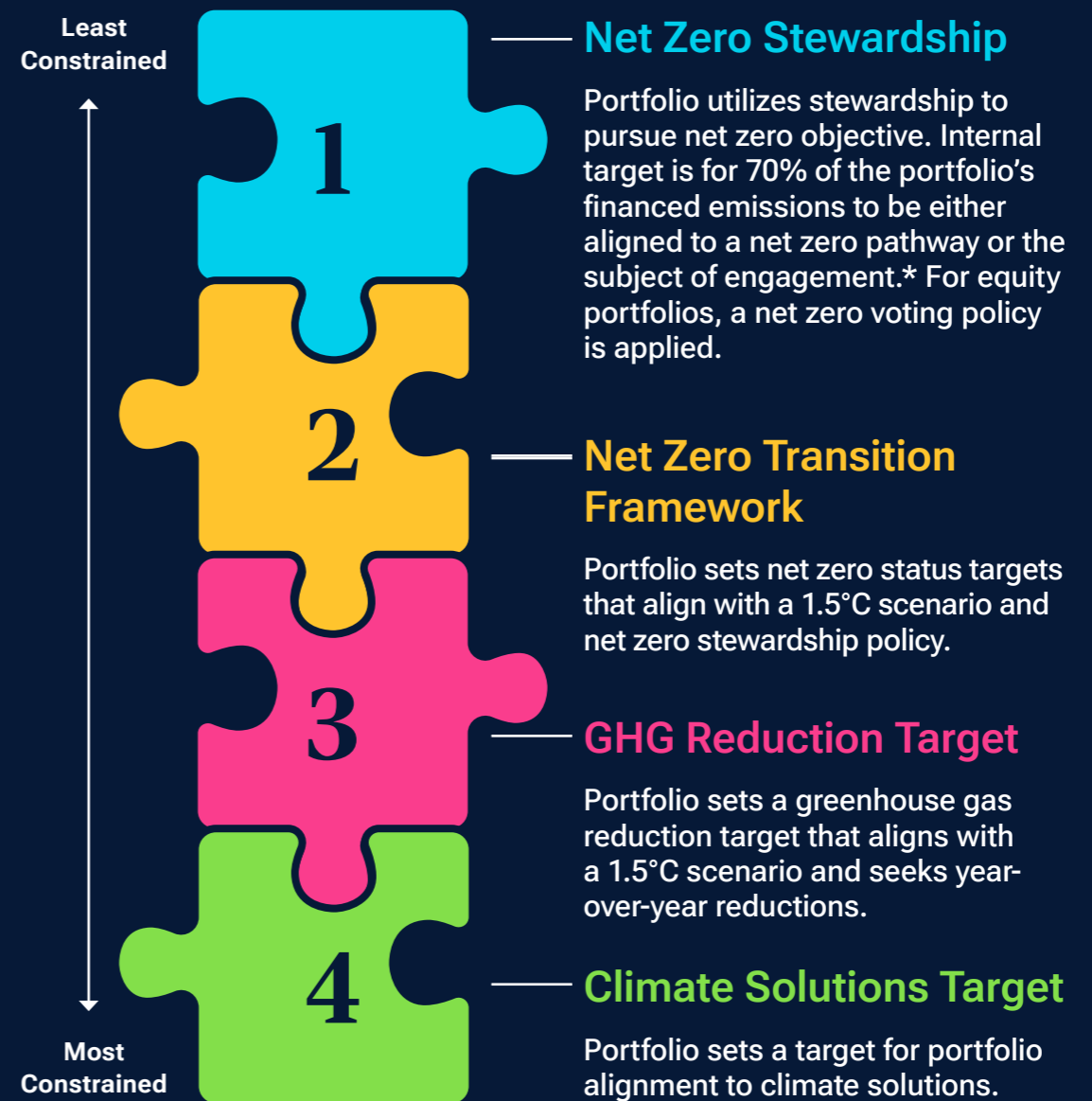
Setting targets on capital allocated to **climate solutions** is another approach that can be implemented in isolation or in combination with the other three approaches. This corresponds to aligning with the activities highlighted below.

- Increasing energy efficiency
- Reducing methane and other GHGs
- Decarbonization, carbon capture, and sequestration
- Financing sustainable activities

TRPA also offers investment solutions for investors who are interested in pursuing environmental and social goals alongside their financial goals. Impact investors direct capital toward desired environmental and/or social outcomes and utilize engagement with issuers and dedicated proxy voting to help achieve the best results.

In 2024, the firm gained the Sustainability Impact label for its global impact funds under the UK Financial Conduct Authority's Sustainability Disclosure Requirements (SDR) regime. This included one of the first fixed income funds to achieve the SDR Sustainability Impact label. The SDR aims to ensure that financial products marketed as sustainable accurately reflect their impact and have evidence to support those claims.









## Aligning Net Zero Goals With Portfolio-Level Targets



\* Target is to engage with holdings that have not reached "Achieving" or "Aligned" net zero status covering at least 70% of financed emissions. Engagement target will rise to 90% by 2030. Please note that this is an internal aim and not an objective. It is not possible to guarantee the portfolio will maintain the 70% at all times due to the variability of portfolio composition driven by active investment decisions. See Glossary of Terms for further information and definitions of "Achieving" and "Aligned."

<sup>7</sup> Products are limited to select jurisdictions where registered. AUM represents assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates.

## Climate Solutions Alignment With the UN SDGs

Sub-pillars	Sub-pillar Activities	UN SDG Alignment
1. Reducing greenhouse gases (GHGs)	<ul style="list-style-type: none"> <li>Increasing energy efficiency</li> <li>Decarbonization, carbon capture, and sequestration</li> <li>Reducing methane and other GHGs</li> <li>Financing activities</li> </ul>	   
2. Promoting healthy ecosystems	<ul style="list-style-type: none"> <li>Protecting air quality, land use, freshwater, and oceans</li> <li>Sustainable agriculture</li> <li>Sustainable aquaculture</li> </ul>	  
3. Nurturing circular economies	<ul style="list-style-type: none"> <li>Reducing waste</li> <li>Recycling</li> <li>Enabling efficient consumption</li> </ul>	

In addition to offering portfolios with net zero and impact goals, T. Rowe Price is developing a global blue bond strategy designed to stimulate the growth of the blue economy. Blue investments seek to support the health, productivity, and resilience of the world’s oceans and water resources.

While our initial timeline for launching the first T. Rowe Price blue vehicle was delayed in 2024, we plan to launch the offering in 2025.

Blue bonds are becoming an innovative means to urgently address the funding gap for marine and water resource management projects. We believe they could help accelerate the growth of the sustainable bond market, helping investors direct capital toward projects aligned with SDG6 (Clean Water and Sanitation) and SDG14 (Life Below Water).

The venture leverages the strengths of our existing impact investing and emerging markets capabilities and seeks to:

- Consolidate standards for the nascent blue bond market
- Mobilize investor funding toward innovative, sustainable blue economy projects within emerging markets

### Identifying Opportunities for New Product Offerings<sup>‡</sup>

We are always looking to evolve and expand our product offerings to help clients navigate varying markets and meet their investment needs.

The ESG Enablement team is responsible for our ESG-related product strategy and execution. Their work includes market analysis, competitive positioning assessment, and investment capability development. The Product Strategy Committee is responsible for approving new product ideas and consists of members of senior management, most of whom are members of the firm’s Management Committee.

We manage the product life cycle from idea capture and initial assessment through a build, launch, and go-to-market process, followed by post-launch evaluation.

Above all, we feel it is our responsibility to manage product development in a disciplined and strategic manner. Our goal is to maintain the integrity of our existing investment strategies and existing shareholders' returns while also responding to the demands of a complex and ever-changing investment environment.

## Climate Scenario Analysis

Climate scenario analysis explores a range of plausible climate scenarios that could have a financial impact on the value of our clients' investments over the next several decades. It provides an estimate of the direction and magnitude of the impact of the risk in each scenario. However, this approach is based on available data at a specific point in time and does not consider changes to a company or portfolio holdings during the projection horizon.

Our climate scenario analysis uses climate value at risk (VaR) to assess policy risk, technology opportunity, and physical risk across a range of climate scenarios that may adversely impact the financial value of our investments. Policy risk refers to the costs associated with achieving net zero climate targets such as carbon taxes. Technology opportunity refers to company revenue associated with innovative technology such as low-carbon products. Physical risk refers to the direct and indirect costs of climate change such as damage to physical assets and supply chain disruptions. Acute physical risks include tropical cyclones, flooding, low river flow, and wildfires that occur rapidly, while chronic physical risks include extreme heat/cold, rainfall, snowfall, and wind that manifest slowly over time.

In November 2023, the Network for Greening the Financial System (NGFS), which is a group of central banks and financial regulators that contribute to the development of climate risk management within financial institutions, updated their climate scenarios, which we use, from Phase 3 to Phase 4.

In Phase 4, country-level policy commitments have been updated up to March 2023. The orderly transition scenarios are now more disorderly to reflect the delay in climate policy action. The use of carbon dioxide removal (CDR) technologies has been limited to reflect the current availability of this innovative technology. Physical risks are subdued to reflect the latest policy commitments but are still high. The 1.5°C Disorderly scenario (Divergent Net Zero) has been discontinued as it is unlikely to occur.

This release also incorporates two new scenarios, which include an immediate and effective policy response to limit global warming to below 2°C by the end of the century (Low Demand), as well as delayed and divergent policy responses that result in higher transition and physical risks (Fragmented World).

In the Low Demand scenario, global carbon emissions approach net zero by 2050 with a lower temperature pathway and less progressive carbon prices due to reduced energy demand caused by a shift in consumer consumption preferences toward electrified products, such as electric vehicles. The use of fossil fuels rapidly declines as the use of renewables increases. Countries with a net zero target achieve them before or after 2050. This scenario highlights the policy actions required to meet net zero, which despite the policy challenge, is still possible to achieve, and results in lower economic impact compared with current climate policies.

In the Fragmented World scenario, only currently implemented policies continue until 2030. Thereafter, countries that have set themselves a net zero target only achieve an 80% reduction in their carbon emissions by 2050, while other countries continue with their current policies. This scenario explores the adverse impacts of a failure to implement sufficiently coordinated climate policies, which results in higher transition and physical risks that vary across regions and sectors.

Our climate scenario analysis highlights those sectors that are most exposed to climate-related risks and opportunities. These include energy, industrials, materials, utilities, and real estate.

## Corporate Climate VaR by Sector<sup>8, 9</sup>

	Covered Market Value USD	Covered Market Value %	1.5° NGFS Low Demand Agg	1.5° NGFS Orderly Agg	2° NGFS Disorderly Agg	2° NGFS Orderly Agg	3° NGFS NDC Agg	3° NGFS Fragmented World Agg	3° NGFS Current Policies Agg
Communication Services	101,806,692,592	6.6%	-0.1%	-0.2%	-0.1%	-0.1%	-0.2%	-0.2%	-0.2%
Consumer Discretionary	137,089,616,539	8.8%	-0.4%	-0.7%	-0.4%	-0.3%	-0.3%	-0.3%	-0.3%
Consumer Staples	47,896,700,417	3.1%	-0.3%	-0.5%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%
Energy	50,913,294,388	3.3%	-1.7%	-2.7%	-1.3%	-0.7%	-0.8%	-0.7%	-0.3%
Financials	184,716,031,418	11.9%	-0.3%	-0.5%	-0.4%	-0.3%	-0.4%	-0.4%	-0.5%
Health Care	161,085,766,896	10.4%	-0.3%	-0.5%	-0.3%	-0.3%	-0.4%	-0.4%	-0.4%
Industrials	117,876,991,587	7.6%	-0.6%	-0.9%	-0.6%	-0.4%	-0.5%	-0.5%	-0.3%
Information Technology	335,215,748,628	21.6%	-0.1%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Materials	40,010,303,314	2.6%	-0.7%	-1.0%	-0.6%	-0.4%	-0.5%	-0.4%	-0.2%
Real Estate	30,414,616,358	2.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Utilities	28,464,128,752	1.8%	-0.7%	-1.1%	-0.8%	-0.5%	-0.7%	-0.7%	-0.4%
<b>Total</b>	<b>1,235,489,890,890</b>	<b>79.6%</b>	<b>-5.2%</b>	<b>-8.4%</b>	<b>-5.1%</b>	<b>-3.4%</b>	<b>-4.1%</b>	<b>-4.1%</b>	<b>-3.0%</b>

## Sovereign Climate VaR

	Covered Market Value %	1.5° NGFS Orderly Agg	2° NGFS Disorderly Agg	2° NGFS Orderly Agg	3° NGFS NDC Agg	3° NGFS Current Policies Agg
Sovereign	5.9%	-2.6%	-1.4%	-0.9%	-0.5%	0.1%

<sup>8</sup> Data as of December 31, 2024. Includes listed equities and corporate bonds; excludes private assets. All data are provided in terms of the contribution of each sector based on the aggregated assets covered. Please see page 57 for further definition. The climate scenarios are designed and developed by Network for Greening the Financial System (NGFS). Climate value at risk is based on a weighted average market value approach and represents the estimated percent change in portfolio value under each scenario. Sum of rows may not equal total due to rounding issues. Source: MSCI ESG Research LLC.

<sup>9</sup> Sector categories are based on Global Industry Classification Standard (GICS).

The materialization of climate-related risks could lead to lower asset valuations and increased market volatility, but the range of possible outcomes is highly uncertain and subject to change. Moreover, our assessment of climate-related risks is not exhaustive but aims to highlight the most significant risks, as well as their potential impact on the investments we manage on behalf of our clients.

## Consideration in Operational Strategy†

The firm's climate risk strategy considers acute disruptions by major weather events and chronic implications of climate change. As a commonality with nearly all businesses, our operations are exposed to both physical risks and transition risks derived from climate change. The company actively manages these risks through comprehensive strategies aimed at enhancing operational resilience and ensuring business continuity.

External events, such as severe weather or natural disasters, receive ongoing attention, given their potential impact on business activities, including impacts on our facilities and related infrastructure and technologies. Our ERG oversees business continuity and factors extreme weather events into business continuity planning.

The risks associated with new climate-related regulations globally may result in increased energy and operational costs. Furthermore, emerging climate-related regulatory and legal requirements may be costly to implement from both a human resources and an infrastructure perspective.

To help mitigate risks associated with the prospect of increased energy costs and regulatory penalties for carbon emissions, we are seeking a long-term energy contract for our largest facilities in Maryland, U.S.

Reducing and managing our GHG emissions is our primary sustainability priority from a corporate standpoint. This includes a comprehensive assessment of the costs associated with achieving our net zero objectives. To inform our net zero strategy, we work to evaluate the financial implications of continuing to rely on brown power versus investing in the transition to net zero for Scope 1 and 2 emissions by 2040. This evaluation not only helps us understand the long-term benefits of these investments, but also positions us to make informed, strategic decisions that drive meaningful change. Additionally, through our Corporate Real Estate & Workplace Services team, we continuously seek operational improvements throughout our global offices. By optimizing energy use, investing in lower-carbon technologies, and enhancing operational efficiency, we aim to reduce our carbon footprint while ensuring that we are not only sustainable, but also cost-effective.

Fifty-seven percent of our real estate square footage was environmentally certified by year-end 2024, and we aim to have at least 60% certified by year-end 2025.

Progress toward this goal includes:

### Completed in 2024

- BREEAM Very Good - London
- 5-Star Green Star - Sydney
- LEED Silver - Singapore

### In Progress

- LEED for our new Global Headquarters - Baltimore

## Our Locations<sup>10</sup>

Americas					
Street Address	Country	Certification	Ownership	Coordinates	Percentage of Workforce
100 East Pratt Street Baltimore, MD 21202	United States of America	LEED Certified - Partial	Leased	39.28710981313251, -76.6127409035248	22.32%
4515 Painters Mill Road Owings Mills, MD 21117	United States of America	LEED Certified	Owned	39.39539738449518, -76.78530798685203	13.74%
4525 Painters Mill Road Owings Mills, MD 21117	United States of America	LEED Certified	Owned	39.394925291878515, -76.78341871938858	10.97%
4545 Painters Mill Road Owings Mills, MD 21117	United States of America	LEED Silver	Owned	39.39608472758382, -76.78433581562524	9.49%
2220 Briargate Parkway Colorado Springs, CO 80920	United States of America	-	Owned	38.96855490264002, -104.7860438580269	8.16%
4555 Painters Mill Road Owings Mills, MD 21117	United States of America	LEED Silver	Owned	39.39641052785798, -76.78532845801622	6.66%
One Vanderbilt 16th Floor New York, NY 10017	United States of America	LEED Gold	Leased	40.75289479607678, -73.97850971534308	3.27%
11550 Cronridge Drive Owings Mills, MD 21117	United States of America	-	Owned	39.44344224764258, -76.77138095986547	2.97%
2260 Briargate Parkway Colorado Springs, CO 80920	United States of America	LEED Silver	Owned	38.968670677427205, -104.78729654638454	1.52%
201 Main Street Suite 1250 Fort Worth, TX 76102	United States of America	-	Leased	32.75643452821222, -97.33201880234695	1.40%
233 Park Avenue, South 2nd Floor New York, NY 10003	United States of America	LEED Certified	Leased	40.73755672011462, -73.98789915585051	0.81%
200 Massachusetts Avenue, NW Washington, DC 20001	United States of America	LEED Silver	Leased	38.899180367682845, -77.01409568686441	0.55%

<sup>10</sup> Interns, fixed terms, and contingent workers are excluded from percentage of workforce.

Street Address	Country	Certification	Ownership	Coordinates	Percentage of Workforce
333 Bush Street Suite 2550 San Francisco, CA 94104	United States of America	LEED Platinum (Building holds certification)	Leased	37.790993083478696, -122.40305656988821	0.36%
12120 State Line Road Leawood, KS 66209	United States of America	-	Leased	38.90801919983562, -94.60863991904388	0.17%
Suite 4240 77 King Street West TD North Tower P.O. Box 87 Toronto, ON M5K 1G8	Canada	LEED Platinum (Building holds certification)	Leased	43.648154072847134, -79.38209058411294	0.17%
1735 Market Street Suite 3020 Philadelphia, PA 19103	United States of America	LEED Certified	Leased	39.953827558117425, -75.16953285800211	0.15%
1251 Avenue of the Americas 35th Floor New York, NY 10020	United States of America	LEED Gold	Leased	40.76026119609277, -73.98173377517483	0.15%
17415 Progress Way Hagerstown, MD 21740	United States of America	-	Owned	39.59544598964031, -77.76535181568273	0.04%
4435 Painters Mill Road Owings Mills, MD 21117	United States of America	LEED Gold	Owned	39.391499594223276, -76.78433381568794	0.02%

## EMEA

Street Address	Country	Certification	Ownership	Coordinates	Percentage of Workforce
Warwick Court 5 Paternoster Square London EC4M 7DX	United Kingdom	BREEAM Certified	Leased	51.51486397262379, -0.1000133999956808	10.52%
35, Boulevard Prince Henri 3rd Floor L-1724 Luxembourg Grand Duchy of Luxembourg	Luxembourg	-	Leased	49.610640039978456, 6.124330796243006	0.44%

Street Address	Country	Certification	Ownership	Coordinates	Percentage of Workforce
45 Pall Mall, 4th Floor London, UK SW1Y 5JG	United Kingdom	-	Leased	51.50610727351572, -0.13634481533904347	0.43%
Neue Rothofstrasse 19 60313 Frankfurt Germany	Germany	LEED Gold (Building holds certification)	Leased	50.11397287184947, 8.672841771123787	0.17%
Via San Prospero 1 5th Floor 20121 Milan	Italy	-	Leased	45.466240427372675, 9.186067884476074	0.16%
Talstrasse 65 6th Floor 8001 Zurich	Switzerland	-	Leased	47.37055552668636, 8.535453255696337	0.10%
Torre Europa Paseo da la Castellana 95-14 28046 Madrid, Spain	Spain	LEED Silver	Leased	40.45183025415371, -3.6914523254528264	0.07%
Strawinskylaan 1433 WTC Tower Eight Level 14 1077 XX Amsterdam	Netherlands	BREEAM Certified (Building holds certification)	Leased	52.34045558176207, 4.8754800674946255	0.06%
Dubai International Financial Centre P.O. Box 482023 The Gate, Level 15, Office 24 Dubai, UAE	United Arab Emirates	-	Leased	25.215022031556874, 55.28118076869329	0.05%
Kungsgatan 8 SE-11143 Stockholm	Sweden	-	Leased	59.336365253561226, 18.069669211915034	0.04%
51, Boulevard Grande Duchesse Charlotte L-1331 Luxembourg Grand Duchy of Luxembourg	Luxembourg	-	Leased	49.61038731104659, 6.118667657671541	0.02% of workforce
Gl. Kongevej 60 1850 Frederiksberg C Copenhagen	Denmark	-	Leased	55.675816139262665, 12.565571384656913	0.02% of workforce

APAC

Street Address	Country	Certification	Ownership	Coordinates	Percentage of Workforce
6/F, Chater House 8 Connaught Road Central, Hong Kong	China	LEED Gold	Leased	22.28248614391946, 114.15860908583407	1.86%
GranTokyo South Tower 10F 9-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6610	Japan	LEED Certified	Leased	35.67894531288826, 139.7675247418951	1.13%
501 Orchard Road #10-02 Wheelock Place Singapore 238880	Singapore	LEED Silver	Leased	1.3053115760486456, 103.83077369737198	1.09%
Governor Phillip Tower Level 28 1 Farrer Place Sydney NSW 2000	Australia	5-Star Green Star	Leased	-33.864126688410906, 151.21140328445244	0.77%
Level 30, Collins Place 35 Collins Street Melbourne, VIC 3000	Australia	-	Leased	-37.813852069192706, 144.9730430244129	0.06%
Unit 881, Level 8, International Finance Center Tower 2, No. 8 Century Avenue, Pudong District, Shanghai 200120	China	-	Leased	31.236869058800828, 121.50201097626106	0.05%
Governor Phillip Tower Level 28 1 Farrer Place Sydney NSW 2000	Australia	5-Star Green Star (Located within T. Rowe Price space)	Leased	-33.864126688410906, 151.21140328445244	0.02%
7/F, Chater House 8 Connaught Road, Central Hong Kong	China	LEED Gold (Located within T. Rowe Price space)	Leased	22.28248614391946, 114.15860908583407	0.01%

# Managing Climate Risks

## Our Risk Management Framework<sup>‡</sup>

Our comprehensive approach to identifying and assessing risks and opportunities—including climate change—is managed through established risk frameworks focusing on our corporate risks. This includes, but is not limited to, strategic risk, operational risk, investment performance risk, human capital risk, legal and compliance risk, technology risk, environmental and social risk, and financial risk. Climate-related risks are integrated into our risk management framework and include the consideration of extreme weather events, regulatory risk, reputational impact, investment risk, and our product range.

Our risk management framework is aligned with the three lines of defense model, and the scope of operations covered includes all business units and geographies where T. Rowe Price operates. Business units (first line of defense), in collaboration with the ERG, are responsible for identifying risks, assessing emerging and existing risks, evaluating acceptable levels of risk appetite, and implementing actions to mitigate such risks as part of our framework.

The ERG (second line of defense) is responsible for providing oversight, guidance, and reporting with respect to the overall management of the firm's risks. Led by our CRO, the ERG is a global team of seasoned experts specializing in enterprise and operational risk, investment risk, privacy, supplier risk, and business resiliency.

Internal Audit (third line of defense) is responsible for providing independent assurance that established internal controls are operating effectively and that our risks are adequately mitigated.

With the support of the ERM, our CRO is primarily responsible for establishing the enterprise risk management framework and ensuring that risks are managed relative to the firm's risk appetite and risk profile. The CRO reports to the chief operating officer (COO) and regularly updates the Management Committee and T. Rowe Price Group Board of Directors on the firm's risk profile.

The ERM is chaired by our CRO and composed of business leadership across the firm responsible for managing risks directly within their operations, including climate risks. The ERM oversees the firm's enterprise risk management strategy, framework, and other risk programs and is an integral part of our climate-related strategy. Review and prioritization of identified climate-related risks and opportunities is undertaken by the ERM.

The corporate risk profile informs the ERM of the key risks the firm faces to help prioritize and oversee risk response and mitigation across the firm. The committee receives information and regular reporting from the ERG and various other committees, programs, and groups, as necessary. The ERM assesses and reviews risks that our firm faces in the short, medium, and long term with a focus on those risks that can manifest more rapidly and/or with greater adverse outcomes.

## Implications of Increasing Global Regulation<sup>‡</sup>

The volume and pace of sustainability-related regulation, much of which has implications for climate-related activities, is unprecedented, putting significant pressures on implementation teams and adding compliance costs. Divergence in local standards also presents a challenge, and we encourage global regulatory coordination through our advocacy efforts.

As a global organization, we may become (and already are) subject to new and evolving sustainability-related rules and regulations in a number of jurisdictions and regions at about the same time:

- **U.S.** – The combination of a change in political leadership and ongoing litigation makes it unlikely that the corporate climate disclosure rules adopted or proposed in the last few years by the Securities and Exchange Commission will take effect. Ongoing litigation is also complicating the implementation timelines for certain state climate disclosure rules, such as those in California. At the same time, a number of states have adopted new laws restricting the consideration of climate, social, and other factors in investments and proxy voting.
- **UK** – The UK is still expected to endorse and adopt the IFRS standards developed by the International Sustainability Standards Board (ISSB) into its regulatory framework, likely applying them to the UK's largest companies.
- **European Union** – The EU has already adopted the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD); however, both are anticipated to be revised in 2025 as a result of the European Union's focus on the regulatory simplification. We also anticipate the revisions to the Sustainable Finance Disclosure Regulation (SFDR).
- **Australia** – In 2024, Australia adopted mandatory climate reporting by companies and financial institutions.
- **Singapore** – In 2025, the Monetary Authority of Singapore consulted on guidelines for financial institutions on transition planning for a net zero economy.

To help us prepare, our Legislative and Regulatory Affairs (LRA) team monitors developments in key jurisdictions to ensure we can develop and coordinate a timely compliance strategy across the firm in the most efficient manner. The LRA team distributes internal communications with regulatory development updates and provides regular briefings to key internal stakeholders. Updates are provided to the ESG Oversight Committee (ESGOC) several times per year.

## Analyzing Investment Risks<sup>‡</sup>

TRPA and TRPIM use our proprietary RIIM analyses, net zero status, GHG footprint, and climate solutions alignment<sup>1</sup> analysis to identify and assess climate-related risks. Within the RIIM assessments, investments' environmental characteristics are considered holistically. At the issuer level, each area of focus is weighted in accordance with its materiality to the industry or subindustry. At the portfolio level, assessments can also include a comparison with the benchmark. Key areas of focus include:

- Energy transition risk
- Net zero status
- Physical risk
- Biodiversity impact
- Circular economy<sup>2</sup> contribution
- Exposure to climate solutions
- Land use
- Water use
- Track record on environment
- Accountability and transparency for ESG (including climate change)

<sup>1</sup> Percentage of revenues or use of proceeds aligned to economic activities that are climate solutions (e.g., renewable energy generation, sustainable agriculture, etc.).

<sup>2</sup> See Glossary of Terms for a definition of circular economy.

## Climate Stewardship<sup>†</sup>

Engagement on climate change with management teams or Boards of investee companies is usually conducted as part of a multifaceted discussion on many investment considerations for that particular company but occasionally could focus only on climate change implications. Given that T. Rowe Price has predominantly actively managed portfolios, portfolio managers may elect not to invest in specific companies with onerous climate-related risk if they believe it will negatively impact the investment case. As a result, the profile of investee companies across portfolios may look meaningfully different from peers—particularly passive peers.

One of the more difficult aspects of evaluating climate change risks and opportunities is the lack of disclosure on key environmental metrics, strategy, and accountability. T. Rowe Price recommends companies adopt industry best practice disclosure standards. To this end, we advocate for disclosures aligned to the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD)—both globally recognized frameworks that emphasize financial materiality. As the newly established International Sustainability Standards Board (ISSB) comes into effect, we will recommend this disclosure as best practice.

Additionally, for smaller issuers of private credit and syndicated loan transactions that may find SASB and TCFD difficult to achieve in the near term, we advocate using the ESG Integrated Disclosure Project (ESG IDP) reporting template, which embeds core climate concepts from the TCFD and SASB standards.

We strongly encourage all issuers to report their Scope 1–3 GHG emissions. However, we recognize that reporting Scope 3 emissions adds much more complication than reporting Scope 1 and 2 emissions and that, for some industries, estimation methodologies are still evolving.

Additionally, we understand that smaller issuers may be in the early phases of capturing and reporting emissions data and encourage those issuers to continue advancing these internal capabilities.

Given these issues, we do not think it is appropriate for us to unilaterally expect all issuers to report a full suite of Scope 3 emissions; however, we do expect that the landscape and our expectations will evolve over time. In the interim, we strongly encourage issuers to report the Scope 3 emissions categories most material to their business. For high-emitting companies, our minimum expectation is that they disclose absolute Scope 1 and 2 GHG emissions on an annual basis. Failure by companies in these industries to disclose these data leaves investors unable to properly analyze their exposure to climate change risk.

## Process for Managing Climate-Related Risks<sup>†</sup>

We identify, assess, prioritize, and monitor climate-related risks as an integrated part of our enterprise risk management framework, which is described in the Our Risk Management Framework section. This approach is consistent with the processes used in the previous reporting period.

To assess the severity and likelihood of our risks, including climate-related risks, we consider both qualitative and quantitative factors. Qualitative factors include input from subject matter experts and stakeholder feedback, while quantitative factors include an evaluation of financial impact and probabilities, which are included as part of the dimensions we use to assess risk. This dual approach ensures a comprehensive understanding of potential risks. For example, we may consider the potential financial impact of a climate-related event on our operations, as well as the likelihood of such an event occurring based on meteorological intelligence and expert analysis.

We evaluate and prioritize climate-related risks alongside other types of risks and their categories based on their potential impact on our strategic objectives, financial performance, and operations. This prioritization process includes evaluating the severity and likelihood of climate-related risks, potential regulatory changes, and risk appetite. This prioritization is integrated into our overall risk management framework and corporate risk profile to ensure that climate-related risks are addressed in a timely and effective manner.

Our climate-related risks are monitored as part of our risk management framework, including regular risk assessments and reporting. The ERG, in collaboration with business unit leaders, risk owners, and subject matter experts, works to promptly address any changes in risk profiles. Regular updates are provided to the T. Rowe Price Group Board of Directors and the Enterprise Risk Management Committee (ERMC), which oversees, monitors, and communicates the firm's risk management structure, processes, and business unit risk management efforts. This ongoing monitoring process helps us anticipate risks, adapt our strategies accordingly, and ensure that our risk management practices are comprehensive and effective.



# Climate-Related Metrics and Targets

## Our Approach<sup>‡</sup>

To limit the increase of global temperatures to 1.5°C, we are committed to reducing GHG emissions associated with our operations. T. Rowe Price Group, Inc., is targeting net zero Scope 1 and 2 emissions by 2040 and has an interim target to achieve a 75% reduction by 2030 compared with our 2021 baseline. Our approach includes, but is not limited to, ongoing efforts in asset optimization to reduce energy consumption and the evaluation of carbon-free energy options to achieve an emissions reduction of 90% or greater by year-end 2040 compared with 2021. Residual emissions that cannot be eliminated will be addressed through the use of carbon credits.

While we do not currently have a Scope 3 target, we are focused on efforts to improve the data quality of Scope 3 emissions and address our Scope 3 emissions through stewardship and partnerships. Our approach is informed by the Science Based Targets initiative (SBTi) methodology. Since the majority of our clients have given us a mandate to pursue financial performance for their portfolios, we do not believe that setting a binding Scope 3 target and pursuing validation of our target by the SBTi would be consistent with our fiduciary duty.

## Measuring the Climate Impact of Our Investments

Carbon emissions datasets are made up of a combination of reported and estimated data, due to a variance in disclosure levels by companies. Because of this, there can be variations between vendors, who take different approaches depending on the industry and the information available. The goal of any such estimate is a figure in the right order of magnitude, since total accuracy can only be achieved if a company is actually reporting carbon data. We rely on our vendor to supply both the data and analysis. We do not guarantee its accuracy. The limited and unstandardized nature of Scope 3 emissions disclosure requires the use of datasets consisting entirely of estimated GHG emissions. For this reason, we see limitations in data quality and advocate caution when using these data. We expect data quality to improve over time.

### Methodological Approach

Asset classes included	Listed equities, corporate bonds, sovereign bonds, securitized bonds, municipal bonds, and bank loans
Asset classes excluded	Private assets, REITs, derivatives, and commodities
Standards	Partnership for Carbon Accounting Financials (PCAF)
Data source	MSCI ESG Research LLC

### Financed Emissions

Our data coverage for financed emissions is approximately 86% of the firm's USD 1.6 trillion in AUM, representing USD 1.39 trillion. Where reported carbon emissions data are not available, we use estimates based on the PCAF standards, which are derived by our third-party vendor's proprietary estimation model.

These estimates consider a variety of data sources and approaches to derive emissions based on the available data for each asset type. This includes production activity data as well as sector- and country-level average emissions. Where PCAF does not provide specific methodology guidance, our data vendor leverages existing PCAF approaches to derive emissions. This approach applies to securitized credit and municipal bonds.

We use the equity ownership method recommended by PCAF, which allocates emissions based on the investment amount relative to the Enterprise Value Including Cash (EVIC). It is important to highlight that company data can be severely lagged, which may result in inconsistent time periods across the required input data.

However, as the frequency and availability of company climate disclosures improve, we expect this inconsistency to reduce over time.

The PCAF standard suggests using a data quality score, since the calculation of financed emissions relies frequently on unaudited and estimated emissions data from investees. This scale ranges from 1 (highest-quality, verified data) to 5 (low-quality, estimation based on asset turnover). The weighted data quality score for Scope 1 and 2 financed emissions is 2.6, and for Scope 3 financed emissions it is 2.6.

### Listed and Private Company Total Financed Greenhouse Gas Emissions

$$\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{issuer's EVIC or total equity} + \text{debt}_i} \times \text{issuer's Scope 1, 2, 3 GHG emissions}_i \right)$$

### Sovereign Financed Greenhouse Gas Emissions

$$\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{PPP} - \text{GDP}_i} \times \text{sovereign issuer's GHG emissions}_i \right)$$

### Climate Metrics by Sector<sup>1</sup>: Financed Emissions<sup>2</sup>

Sector	Covered MV\$	Covered MV%	Scope 1	Scope 2	Scope 3	Scope 1+2
Communication Services	107,243,685,638	6.9%	109,738	305,218	1,987,958	414,956
Consumer Discretionary	142,817,326,113	9.2%	832,645	813,933	26,299,749	1,646,578
Consumer Staples	48,336,115,998	3.1%	631,633	632,991	16,482,455	1,264,625
Energy	55,306,298,160	3.6%	8,626,301	952,591	112,091,547	9,578,891
Financials	345,619,051,164	22.3%	31,244,068	847,124	36,900,201	32,523,942
Health Care	168,507,720,472	10.9%	307,238	367,216	10,541,208	674,454
Industrials	130,452,020,224	8.4%	3,670,306	838,651	78,055,690	4,508,957
Information Technology	339,061,863,454	21.8%	544,948	832,979	10,103,931	1,377,927
Materials	41,254,170,321	2.7%	9,697,728	2,792,101	33,111,525	12,489,830
Real Estate	30,845,644,577	2.0%	71,507	171,458	2,070,059	242,965
Utilities	32,784,163,937	2.1%	13,831,449	388,900	13,006,895	14,220,348
<b>Total</b>	<b>1,467,875,581,049</b>	<b>94.5%</b>	<b>71,749,118</b>	<b>9,289,006</b>	<b>349,715,902</b>	<b>81,470,874</b>

<sup>1</sup> All data are provided in terms of the contribution of each sector to the aggregated assets covered. Sector categories are based on Global Industry Classification Standard (GICS).

<sup>2</sup> Financed emissions aligned with PCAF Global GHG Accounting and Reporting standards, carbonaccountingfinancials.com/standard.

Individual sectors may not exactly equal the total due to rounding and missing industry classifications. Scope 1 and 2 for securitized assets is 432,750 and is reported separately by our data vendor and cannot be decoupled. Financed emissions have been adjusted by the coverage ratio. The coverage ratio is less than 100% due to limited data availability.

## Weighted Average Carbon Intensity (WACI)

WACI measures the carbon intensity of our investments and includes corporates and sovereigns. The advantage of this approach is that it is simple to calculate and easy to interpret. It relies on readily available input data, such as carbon emissions, company revenue, gross domestic product (GDP), and investment values. Carbon emissions are normalized and then attributed based on the amount invested relative to total portfolio value. WACI is expressed in tons CO<sub>2</sub>e/USD million and can also be used to compare investment portfolios across asset classes.

Our data coverage for corporates is above 80% and consists of both reported and estimated data. High-emitting sectors, such as utilities, materials, energy, and industrials, are the largest contributors across Scope 1–3, due to their energy intensity that contributes over 60% of WACI but less than 20% of total assets under management (AUM). Sovereign data coverage is approximately 7% and consists entirely of estimated data due to data availability and to ensure consistency and comparability across countries.

Since last year, our total Scope 1–3 WACI has increased by approximately 4%, which is driven by high-emitting sectors, such as energy and industrials. However, this increase was partially offset by reductions in materials and financials.

### Corporate Issuers

$$\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i} \right)$$

### Sovereign Issuers

$$\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{\text{sovereign issuer's GHG emissions}_i}{\text{sovereign issuer's \$M GDP}_i} \right)$$

## Climate Metrics by Sector<sup>3</sup>: Weighted Average Carbon Intensity

Sector	Covered MV\$	Covered MV%	Scope 1 and 2	Scope 3
Communication Services	105,082,756,948	6.8%	1.0	12.0
Consumer Discretionary	139,857,656,605	9.0%	5.1	53.7
Consumer Staples	48,018,619,305	3.1%	1.7	19.4
Energy	54,318,356,695	3.5%	14.2	196.6
Financials	198,457,239,945	12.8%	4.3	41.9
Health Care	161,398,563,070	10.4%	1.8	67.1
Industrials	122,196,971,575	7.9%	8.6	126.7
Information Technology	336,253,573,820	21.7%	5.9	89.6
Materials	40,763,438,936	2.6%	17.5	55.4
Real Estate	31,095,777,143	2.0%	1.6	7.6
Utilities	31,623,691,530	2.0%	44.7	23.7
<b>Total</b>	<b>1,269,072,196,597</b>	<b>81.7%</b>	<b>106.3</b>	<b>693.7</b>

<sup>3</sup> All data are provided in terms of the contribution of each sector to the aggregated assets covered. Sector categories are based on Global Industry Classification Standard (GICS). Sovereign WACI is 283.9 with a coverage ratio of 6.7%.

## Carbon Footprint

Carbon footprint is used to measure emissions attributable to investors per USD million invested. This approach applies only to corporate assets and uses available data, such as EVIC, asset values, and Scope 1–3 emissions. It is expressed in tons CO<sub>2</sub>e/USD million invested and can be used to compare portfolios and benchmarks but does not account for the emissions intensity of individual companies, unlike WACI.

Our data coverage consists of both reported and estimated data and is above 81%. High-emitting sectors, such as utilities, materials, energy, and industrials, are the largest contributors across Scope 1–3, due to their energy intensity, which contributes over 70% of total carbon footprint but less than 20% of total assets under management (AUM).

Since last year, our total carbon footprint has been reduced by approximately 8%, driven by reductions across a broad range of sectors, such as information technology, real estate, and materials.

## Corporate Issuers Carbon Footprint

$$\frac{\sum_n^i \left( \frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)}{\text{current portfolio value (\$M)}}$$

## Climate Metrics by Sector<sup>4</sup>: Corporate Carbon Footprint

Sector	Covered MVS	Covered MV%	Scope 1+2	Scope 3
Communication Services	104,439,218,152	6.7%	0.3	2.8
Consumer Discretionary	139,855,639,713	9.0%	1.3	23.2
Consumer Staples	48,016,768,796	3.1%	1.0	10.7
Energy	54,288,801,262	3.5%	7.3	98.5
Financials	198,550,789,554	12.8%	1.8	13.7
Health Care	161,167,229,815	10.4%	0.4	12.4
Industrials	120,321,687,268	7.7%	3.1	50.0
Information Technology	336,241,633,136	21.7%	0.9	10.6
Materials	40,736,765,531	2.6%	8.8	27.7
Real Estate	30,859,104,020	2.0%	0.2	1.3
Utilities	31,318,348,177	2.0%	12.7	6.9
<b>Total</b>	<b>1,265,801,536,452</b>	<b>81.5%</b>	<b>37.7</b>	<b>257.6</b>

<sup>4</sup> All data are provided in terms of the contribution of each sector to the aggregated assets covered. Sector categories are based on Global Industry Classification Standard (GICS).

## Implied Temperature Rise (ITR)

ITR is a forward-looking assessment used to evaluate the alignment of a company or portfolio with global climate targets, such as the 2015 Paris Climate Agreement, which aims to limit the global average temperature increase to below 2°C and pursue efforts to reach below 1.5°C by the end of the century. It highlights how much global temperatures could increase over the next several decades, if we assume the global economy follows the same carbon emissions trajectory as a company or portfolio.

The estimation process for an individual company follows four simple steps. First, the global carbon budget is calculated based on a net zero scenario of 1.5°C and allocated to each economic sector and region, followed by individual companies

based on their fair share of emissions (e.g., revenue). Next, carbon emissions are projected over the next several decades, considering the current level of emissions, individual decarbonization targets, and credibility assessments. The cumulative estimated emissions from the previous two steps are then used to calculate the relative carbon over/undershoot, which is a measure of how much of the carbon budget has been used over the forecast period, compared with the specific global budget allowance to meet net zero. Finally, the carbon over/undershoot is converted to degrees Celsius using the Transient Climate Response to Cumulative Carbon Emissions (TCRE) factor, which was created by the IPCC to determine the relationship between each additional unit of emissions beyond the 1.5°C carbon budget to degrees of additional warming.

### Climate Metrics by Sector<sup>5</sup>: Implied Temperature Rise

Sector	Covered MV\$	Covered MV%	Implied Temperature Rise	Contribution in Degrees
Communication Services	104,375,461,063	6.7%	1.6	0.0
Consumer Discretionary	139,791,638,812	9.0%	2.4	0.2
Consumer Staples	47,785,945,531	3.1%	2.3	0.1
Energy	54,144,956,044	3.5%	3.9	0.7
Financials	196,718,810,391	12.7%	2.4	0.5
Health Care	161,069,549,372	10.4%	1.9	0.2
Industrials	120,662,500,040	7.8%	2.7	0.4
Information Technology	336,237,523,122	21.7%	2.1	0.1
Materials	40,741,982,782	2.6%	3.1	0.3
Real Estate	30,856,211,887	2.0%	2.8	0.0
Utilities	31,628,162,510	2.0%	2.4	0.1
<b>Total</b>	<b>1,264,018,292,581</b>	<b>81.4%</b>	<b>2.6</b>	<b>2.6</b>

<sup>5</sup> Asset coverage based on 81% of T. Rowe Price Associates and its investment advisory affiliates AUM. All data are provided in terms of the contribution of each sector to the aggregated assets covered. Sector categories are based on Global Industry Classification Standard (GICS).

However, this approach should not be relied on to make accurate forecasts as it relies on a number of assumptions that impact the final outcome. For example, it does not consider the costs of government policy, such as higher carbon taxes or changes to business models and markets that will be required to transition to a low-carbon economy to meet net zero climate goals. This approach also assumes that projected carbon emissions remain constant beyond a certain date, if a company does not have a climate target beyond that date.

Projected carbon emissions of companies with no climate targets are assumed to grow at 1% each year, which may be unrealistic for some companies.

Since last year, our aggregate portfolio ITR has increased by approximately 11%. Financials, energy, and industrials added to this increase, while communication services, health care, and information technology detracted.

## Fund Carbon Footprint Reporting

On a quarterly basis, we assess and report to our clients on the carbon profile of our equity and credit funds (for portfolios where we have more than 75% data coverage, either reported or estimated). Reports may not be available for all funds. The report includes data on:

- Total emissions (total emissions owned),
- Carbon footprint (total emissions expressed as USD 1 million invested), and
- Weighted average carbon intensity (the weighted average, by portfolio weight, of the total carbon emissions per USD 1 million of revenues for each of the portfolio's holdings).

We provide a Scope 1 and 2 emissions view, as well as one including Scope 3 emissions. While improving, Scope 3 emissions remain largely estimated. For this reason, we advocate caution when using these data.

2024 Metrics			
Measurement	Unit	Scope	Metrics
Financed emissions	Tons CO <sub>2</sub> e	Scope 1	71,749,118
		Scope 2	9,289,006
		Scope 3	349,715,902
Weighted average carbon intensity (WACI)	Tons CO <sub>2</sub> e/\$Million Revenue	Scope 1 and 2	106.3
		Scope 3	693.7
Carbon footprint	Tons CO <sub>2</sub> e/\$Million Invested	Scope 1 and 2	37.7
		Scope 3	257.6
Implied temperature rise (ITR)	Celsius	Scope 1 and 2	2.6

## Net Zero Alignment Classification System

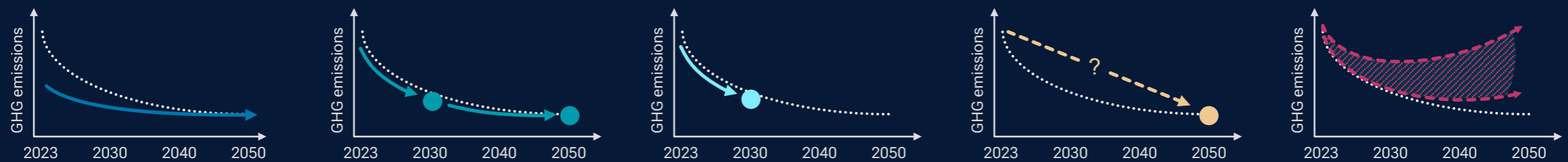
Our net zero alignment or “status” framework helps determine the extent to which corporate issuers have established and are implementing credible, scientifically based net zero transition plans that are compatible with the goal of limiting global temperature increases in this century to 1.5°C. It is based on the PAII NZIF.

We assign corporate issuers to one of five categories, depending on the extent to which they meet certain criteria in relation to transition planning, such as GHG emissions disclosure; short-, medium-, and long-term GHG emissions reduction targets; GHG emissions performance; and alignment of decarbonization strategy with the declared targets, including capital expenditure. The categories are below:

Aggregating the net zero alignment or the status of individual issuers using the percentage weight of each holding provides a net zero portfolio coverage view.

## Proprietary Assessment of Issuers’ Net Zero Alignment

Each security is assigned a net zero status based on the Paris Aligned Investment Initiative (PAII) Net Zero Investment Framework<sup>6</sup>



### Achieving

- Current GHG emissions are close to or have already achieved net zero
- Capital allocation plan supports achievement of net zero
- Adequate disclosure of GHG emissions

### Aligned

- Net zero target that meets regional/sectoral 1.5°C pathway
- Short- and medium-term targets aligned to regional/sectoral 1.5°C pathway
- Adequate GHG emissions disclosure
- Credible decarbonization plan supported by adequate capital allocation
- GHG emissions performance should already be in line with regional/sectoral 1.5°C pathway

### Aligning

- Short- and medium-term targets aligned to regional/sectoral 1.5°C pathway
- Adequate GHG emissions disclosure
- Credible decarbonization plan supported by adequate capital allocation

### Committed

- Net zero target that meets regional/sectoral 1.5°C pathway is in place

### Not Aligned

- No net zero target
- Net zero target does not meet 1.5°C pathway



<sup>6</sup> For illustrative purposes only.

The dotted white line represents emission reductions aligned with a 1.5°C pathway.

<sup>6</sup> Source: Institutional Investors Group on Climate Change (IIGCC). See Glossary of Terms for further information.

## Our 2024 Emissions by Scope

The reporting period is January 1 to December 31, 2024.

2024 GHG Inventory		MT CO <sub>2</sub> e
<b>Total Scope 1 Emissions<sup>†</sup></b>		1,845
	Stationary	691
	Mobile	42
	Fugitive Emissions	1,112
<b>Total Scope 2 Emissions (Location-Based)<sup>†</sup></b>		17,059
<b>Total Scope 2 Emissions (Market-Based)<sup>†</sup></b>		17,219
	Purchased Electricity Location-Based	16,700
	Purchased Electricity Market-Based	16,860
	District Heat	359
<b>Total Scope 3 Emissions (Location-Based)</b>		211,921
Category 3.1	Purchased Goods and Services	113,323
Category 3.2	Capital Goods	58,448
Category 3.3	Fuel- and Energy-Related Activities	4,614
Category 3.5	Solid Waste	260
Category 3.6	Business Travel	21,742
	▪ Air Travel	21,427
	▪ Train Travel	315
Category 3.7	Employee Commuting	13,514
	▪ Commuting to Office	8,802
	▪ Telecommuting	4,712
Category 3.8	Upstream Leased Assets	20
Category 3.15	Investments	See Financed Emissions, page 57
<b>Total GHG Emissions (Location-Based)</b>		230,825

## Measuring the Climate Impacts of Our Operations<sup>†</sup>

T. Rowe Price's GHG emissions are calculated according to the methodology set forth by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and the GHG Protocol Scope 2 Guidance. Our selection of this methodology is based on the understanding that it is the commonly used greenhouse gas accounting standard.

### Inventory Boundary and Methodology<sup>†</sup>

T. Rowe Price uses an operational control approach, which accounts for all the GHG emissions from operations over which we have practical control. This includes owned and leased facilities and data centers, but excludes colocation facilities and serviced offices, which are included in Scope 3.1 (purchased goods and services) and Scope 3.8 (upstream leased assets) emissions, respectively.

For the first time, we have integrated OHA, an alternative credit manager that T. Rowe Price acquired on December 29, 2021, into our GHG inventory.

Per T. Rowe Price's restatement policy, the discovery of a misstatement triggers an assessment to determine materiality. We generally consider a 5% or greater cumulative change in emissions to be material. We convert all emissions to a common GHG metric, CO<sub>2</sub> equivalent, using the latest Intergovernmental Panel on Climate Change's (IPCC) Assessment Report on global warming potentials when possible.

The following table details our methodologies used to calculate emissions and lists the categories of Scope 3 emissions relevant for T. Rowe Price:

Scope	Dataset	Calculation Methodology
Scope 1 <sup>†</sup>	Fuel consumption	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>Estimated refrigerant type is based on location and building use for non-reporting facilities. When refrigerant purchase quantities are available, we collect a list of all refrigerant purchase quantities from the measurement period. Each refrigerant quantity is multiplied by the specific EF for each refrigerant type.</li> <li>Refrigerant leakage amount is based on rate and building square foot.</li> <li>Fleet mileage is based on lease maximums.</li> </ul> <p><b>Emissions Factors</b></p> <ul style="list-style-type: none"> <li>California Air Resources Board</li> <li>EPA2024</li> <li>IPCC AR6 WG1 Chapter 7 Supplementary Material</li> <li>UK Government GHG Conversion Factors for Company Reporting 2024 (DEFRA)</li> </ul>
Scope 2 <sup>†</sup>	Electricity and steam consumption	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>Utility invoices were utilized for owned properties and leased properties with submeters. When data were received for whole-building consumption, they were prorated on a square foot basis.</li> <li>Estimates were used for buildings where we have partial tenants or data could not be obtained. Estimated heating fuel emissions use building floor area and type, based on data from the Lawrence Berkeley National Lab's Building Performance Database. It applies the median energy use for the building type to estimate monthly electricity use.</li> </ul> <p><b>Emissions Factors</b></p> <ul style="list-style-type: none"> <li>Australia National GHG Factors 2023 (data for 2023)</li> <li>Australia National GHG Factors 2024 (data for 2024)</li> <li>Canada National Inventory 2024 (data through 2022)</li> <li>District Heating EF Calculations</li> <li>ecoinvent 3.10</li> <li>EF for clean power purchases</li> <li>EPA2024</li> <li>European Residual Mixes 2022 (data for 2021)</li> <li>European Residual Mixes 2024 (data for 2023)</li> <li>Green-e Residuals 2023 (2021 data)</li> <li>IEA Electricity Emissions Factors 2024 (data through 2022)</li> <li>UK Government GHG Conversion Factors for Company Reporting 2024 (DEFRA)</li> </ul>
Scope 3.1 – Purchased Goods and Services	Annual spend	<p><b>Emissions Factors</b></p> <ul style="list-style-type: none"> <li>Watershed's CEDA v7 and supplier-specific emission factors, when available</li> </ul>
Scope 3.2 – Capital Goods	Annual spend	<p><b>Emissions Factors</b></p> <ul style="list-style-type: none"> <li>Watershed's CEDA v7 and supplier-specific emission factors, when available</li> </ul>

Scope	Dataset	Calculation Methodology
Scope 3.3 – Fuel- and Energy-Related Activities	Energy-related activity data collected for Scope 1 and 2	<b>Emissions Factors</b> <ul style="list-style-type: none"> <li>Australia National GHG Factors 2023 (data for 2023)</li> <li>Australia National GHG Factors 2024 (data for 2024)</li> <li>Canada National Inventory 2024 (data through 2022)</li> <li>European Residual Mixes 2022 (data for 2021)</li> <li>European Residual Mixes 2024 (data for 2023)</li> <li>Green-e Residuals 2023 (2021 data)</li> <li>IEA 2024 Well-to-tank and AU NGAF 2024 T&amp;D (data through 2022)</li> <li>IEA Electricity Emissions Factors 2024 (data through 2022)</li> <li>IEA Well-to-tank 2024 (data through 2022)</li> <li>IEA Well-to-tank T&amp;D 2024 (data through 2022)</li> <li>Renewables WTT</li> <li>UK Government GHG Conversion Factors for Company Reporting 2024 (DEFRA)</li> </ul>
Scope 3.5 – Waste	Waste type	<b>Assumptions</b> <ul style="list-style-type: none"> <li>Estimates were used for buildings where data could not be obtained. Estimates were made using employee location and on-site presence, applying CalRecycle benchmarks and country-specific emission factors.</li> <li>Based on head count assigned to the location.</li> </ul> <b>Emissions Factors</b> <ul style="list-style-type: none"> <li>EPA2023</li> <li>ecoinvent 3.9.1</li> <li>UK Government GHG Conversion Factors for Company Reporting 2022 (DEFRA)</li> <li>UK Government GHG Conversion Factors for Company Reporting 2023 (DEFRA)</li> </ul>
Scope 3.6 – Business Travel	Distance traveled and spend	<b>Assumptions</b> <ul style="list-style-type: none"> <li>Based on known air and rail travel. Excludes automotive travel and hotel stays.</li> <li>Approximately 60% of air and rail travel is booked through a travel provider, which provides information on distance traveled. The remainder is captured in our expense system without details on distance traveled. Both data types, distance and spend, were used with aims for full travel coverage and no double-counting.</li> </ul> <b>Emissions Factors</b> <ul style="list-style-type: none"> <li>Air: UK Government GHG Conversion Factors for Company Reporting 2024 (DEFRA)</li> <li>U.S. Rail: EPA 2024 GHG Emission Factors Hub</li> <li>International Rail: UK Government GHG Conversion Factors for Company Reporting 2024 (DEFRA)</li> <li>Travel Spend: Watershed's CEDA v7 and supplier-specific emission factors, when available</li> </ul>

Scope	Dataset	Calculation Methodology
Scope 3.7 – Employee Commuting	Distance traveled	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>For TRPA and TRPIM associates, employee badge-in data provided by our physical security system is used to calculate an average for commuting days per week. OHA employees assigned in-office days are counted as their commuting days.</li> <li>Non-commuting workdays and full-time telecommuter workdays are used to calculate telecommuting data.</li> <li>Estimated commuting emissions combines employee location and remote status with local commute mode and distance data. Hybrid employees are assumed to commute based on their average commuting days per week, and commute miles are split by local averages for car, transit, walking, and biking. Home office emissions are estimated by combining remote work frequency with regional averages for home size and energy use. It applies local electricity and fuel intensity benchmarks—sourced from the DOE’s Building Performance Database (U.S.) or IEA data (international)—and multiplies energy use by the time spent working remotely and local energy emission factors.</li> </ul> <p><b>Emissions Factors</b></p> <ul style="list-style-type: none"> <li>Commuting: EPA 2024 GHG Emission Factors Hub and DEFRA 2024</li> <li>Telecommuting: multiple sources, including eGRID US 2022, IEA 2022, Australia National GHG Factors 2024, European Residual Mixes 2024, DEFRA 2024</li> </ul>
Scope 3.8 – Upstream Leased Assets	Electricity consumption	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>Estimates were used for buildings where data could not be obtained.</li> <li>The same floor space-based estimation approaches described in scope 1 and scope 2 above were applied here in the absence of data.</li> </ul> <p><b>Emissions Factors</b></p> <ul style="list-style-type: none"> <li>Australia National GHG Factors 2023 (data for 2023)</li> <li>Australia National GHG Factors 2024 (data for 2024)</li> <li>European Residual Mixes 2024 (data for 2023)</li> <li>IEA 2024 Well-to-tank and AU NGAF 2024 T&amp;D (data through 2022)</li> <li>IEA Electricity Emissions Factors 2024 (data through 2022)</li> <li>IEA Well-to-tank 2024 (data through 2022)</li> <li>IEA Well-to-tank T&amp;D 2024 (data through 2022)</li> </ul>
Scope 3.15 – Investments	Portfolio holdings	See Financed Emissions, page 57

## Improving the Measurement of Our Carbon Footprint

We strive to ensure the completeness and accuracy our GHG inventory, using primary data wherever possible and following the Greenhouse Gas Protocol’s guidance on the hierarchy of calculation approaches.

Our 2024 GHG inventory reflects a number of improvements in the quality of our data. In addition to including OHA for the first time, we have also begun working with a new vendor for the calculation of our GHG inventory that has access to a more extensive library of emissions factors, including supplier-specific emissions factors, which were

utilized for the calculation of emissions from purchased goods and services (Scope 3.1) and business travel (Scope 3.6). Additionally, we used a more complete source of spend data for the calculation of emissions from purchased goods and services (Scope 3.1).

The improvement in data led to notable year-over-year increases in our Scope 1 emissions and select categories of Scope 3 emissions. While methodological differences accounted for a small portion of the increase in our emissions from capital goods (Scope 3.2), which more than doubled between 2023 and 2024, it was primarily driven by the construction associated with building our new

headquarters at Harbor Point in Baltimore. Emissions from construction accounted for 96% of our 58,448 MT of CO<sub>2</sub> emissions from capital goods.

We are reporting emissions from upstream leased assets (Scope 3.8) for the first time, as a review of our lease agreements led us to conclude that a small number of serviced offices, generating only 23 MT of CO<sub>2</sub>e emissions in 2024, fall outside of our operational control boundary. We also concluded from further diligence that the locations previously calculated in our downstream leased assets (Scope 3.13) should be included in our Scope 2 emissions. In 2023, these locations generated 682 MT CO<sub>2</sub>e emissions and have been incorporated into our Scope 2 calculation for 2024.

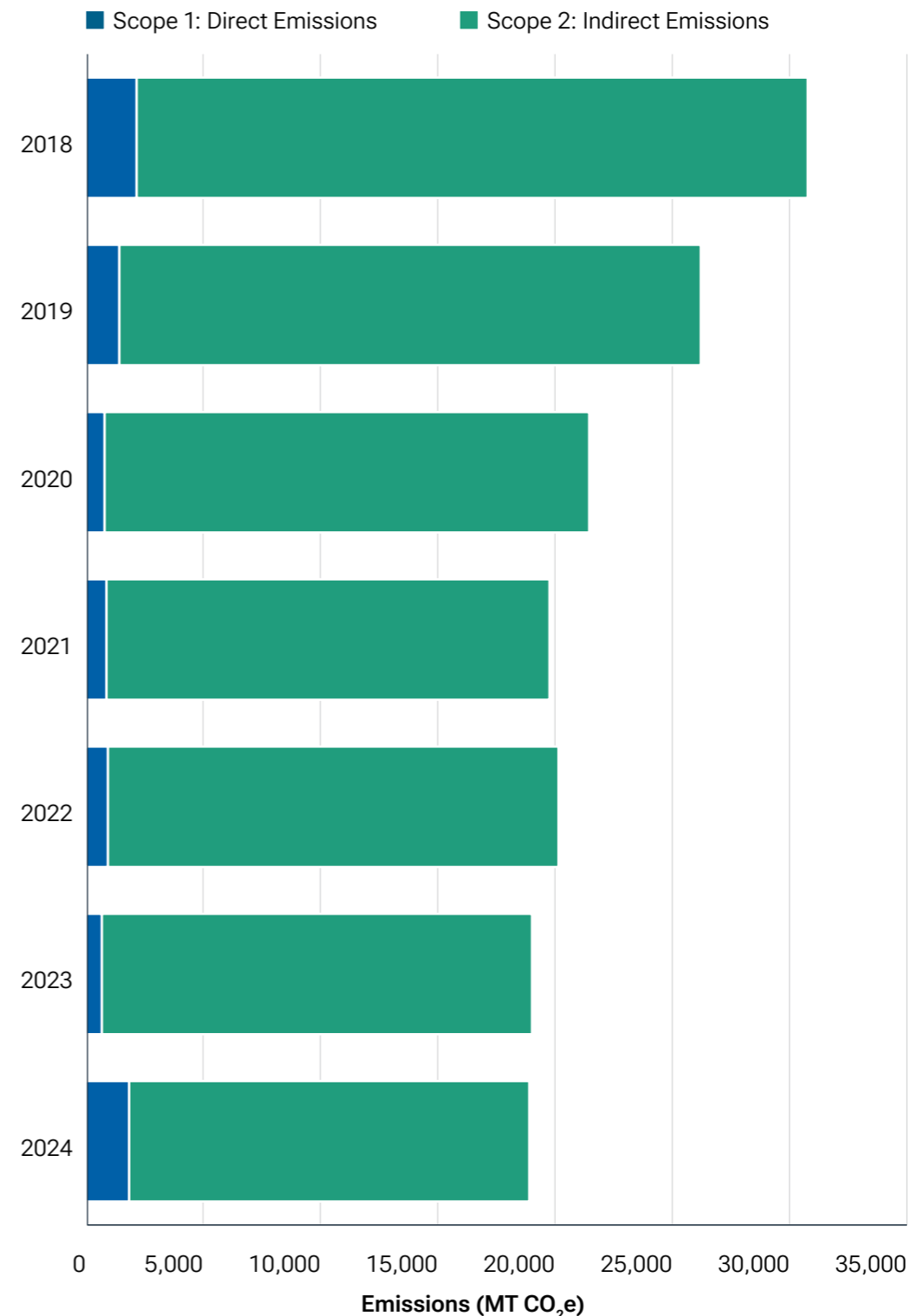
### Scope 1 and 2 Emissions Target<sup>‡</sup>

Our road map for achieving net zero Scope 1 and 2 emissions by 2040 is based on materiality, as we seek to address our largest sources of emissions first. Our Maryland-based utilities generate the largest portion of our Scope 2 emissions.

While we have explored various options to source renewable energy for our owned facilities in Maryland within the Mid-Atlantic region (PJM grid), we have found it difficult to secure favorable pricing and terms. We continue to evaluate the market for potential opportunities. Throughout our review, we have considered the location, timing, and additionality of various market-based instruments, such as renewable energy credits (RECs), prioritizing location, and timing. These considerations, however, must be coupled with an assessment of the feasibility of pricing and contract terms. In the absence of attractive solutions that would satisfy our initial criteria, we have expanded the focus to also explore opportunities to source emissions-free energy supply, including nuclear power.

We recognize that anticipated revisions to the Greenhouse Gas Protocol may address how companies account for energy contracts and RECs, including how location is considered. Our intent is to future-proof any utilization of market-based reduction instruments and ensure the credibility of any reduction.

### Scope 1 and 2 Emissions Trends



Concurrently, we have made progress in other locations. In April 2024, we began claiming Renewable Energy Guarantees of Origin (REGOs) for our UK office, which is a leased space we moved into in September 2023.

We continue to strategically evaluate the real estate we occupy and implement energy efficiency projects as old equipment becomes obsolete and opportunities arise. Additionally, our evolving real estate strategy seeks to improve associate experience for our hybrid workforce and pursue opportunities for better utilization of our space. Our Scope 2 location-based emissions decreased in 2024, in part because of our optimization efforts at our Owings Mills and Colorado Springs campuses.

Our Scope 1 emissions increased in 2024 due to a shift in methodology as we transitioned to a new carbon accounting vendor. Previously, Scope 1 refrigerants were calculated by estimating number of units of a specific equipment type based on square footage, and now our calculation estimates a refrigerant capacity per square foot.

In 2024, we purchased carbon removal credits, using biochar, to address our 2023 Scope 1 emissions from fleet vehicles. We see this as an extension of our initiatives to address emissions from business travel (Scope 3.6).

In 2025, we will be evaluating our net zero model to account for the move to our new headquarters in Harbor Point, Baltimore, and our evolving real estate strategy.

## Year-Over-Year Scope 1 and 2 Emissions Intensity<sup>7</sup>

Scope	Unit	2018	2019	2020	2021	2022	2023	2024	% Change 2024 vs. 2021 Baseline
Scope 1: Direct Emissions	MT CO <sub>2</sub> e	2,162	1,424	796	877	941	681	1,845	110%
Scope 2: Indirect Emissions*	MT CO <sub>2</sub> e	28,607	24,791	20,661	18,887	19,210	18,340	17,059	-10%
Total Scope 1 & 2 Emissions*	MT CO <sub>2</sub> e	30,769	26,215	21,457	19,764	20,150	19,021	18,904	-4%
Global Square Feet	Thou. Square Feet	2,386	2,392	2,320	2,212	2,246	2,310	2,412	9%
Global Revenue	USD Million	5,373	5,618	6,207	7,672	6,488	6,461	7,094	-8%
Scope 1 & 2 Emissions per Square Foot	MT CO <sub>2</sub> e / Thou. SF	12.9	11.0	9.2	8.9	9.0	8.2	7.8	-12%
Scope 1 & 2 Emissions per Revenue	MT CO <sub>2</sub> e / MUSD	5.7	4.7	3.5	2.6	3.1	2.9	2.7	4%

\* Total based on location-based emissions.

<sup>7</sup> Periods prior to 2023 were not included in the review of independent certified public accountants. 2023 data included in prior period report of independent certified public accountants.

## Addressing Operational Waste<sup>†</sup>

Last year we announced that, after careful consideration, we were assessing our 2025 goal to achieve zero waste. In 2024, the firm announced that additional changes to the firm’s real estate portfolio are on the horizon, driven by an evolving real estate strategy and a move to new headquarters. To assess the full impact of these changes, we are extending the reassessment time frame and will provide an update once available.

Sustainability remains at the forefront of the firm’s commitments, and we continue to work toward reducing operational waste and seek opportunities to educate associates on proper waste disposal.

### Operational Waste<sup>†8</sup>

Waste Metric	2024 (tonnes)
Landfill	138
Energy recovery	315
Recycled	352
Composted*	142
Electronics recycling	46
<b>Waste total</b>	<b>993</b>

\* Includes a minor portion of waste that was disposed via wet anaerobic digestion.

<sup>8</sup> This disclosure covers waste generated in the organization’s own activities or within the organization’s operational control. Waste metrics include waste that is landfilled, recycled (general and electronics), composted, and energy recovery (from incineration). Metrics are reported in metric tonnes rounded to the nearest whole value. Approximately 95% of operational waste is based on activity data received from waste removal vendors. For remaining sites, landfill waste and recycling is estimated based on assigned head count for each location. Currently, Watershed does not support the disaggregation of additional waste types at the facility level or selective estimation for individual waste streams beyond the two listed above. As a result, some minor data gaps exist in facility-specific waste emissions. However, these gaps are immaterial to the overall footprint due to the relatively low contribution of waste to total emissions. Where necessary, estimates are based on organization-wide waste intensity factors, ensuring consistency and completeness. Future improvements to data granularity will be explored as software capabilities evolve. This metric excludes in-kind donation metrics.

## Reducing Plastic Pollution

We have developed a strategy to not only reduce our waste, but to improve its composition by reducing single-use plastics in our facilities. The risks to human health and harm to biodiversity, particularly marine ecosystems, from plastic pollution represents a growing global concern.

Some of the measures we have implemented to reduce plastic pollution include:



- **Compostable serviceware** at our Maryland and Colorado campuses (U.S.)
- **Reusable dishware** in our new London headquarters and in Frankfurt (Europe)
- In retail areas, we provide **fountain beverages** and have transitioned to **aluminum and glass** alternatives, incorporate **bulk snack items**, and snacks in **recyclable or compostable packaging** wherever possible

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## Working With Our Supply Chain<sup>†</sup>

Our Supplier Code of Conduct emphasizes environmental requirements, including the implementation of operational practices aimed at minimizing environmental impact and preventing or mitigating any harm. We expect our supply chain to adhere to the code by monitoring their performance, reporting on environmental improvements, and establishing targets and commitments to reduce their environmental footprints.

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## Business Travel and Commuting<sup>†</sup>

Due primarily to the utilization of a different set of emissions factors, our business travel emissions (Scope 3.6) more than doubled between 2023 and 2024. We began using Watershed's Comprehensive Environmental Data Archive (CEDA) for travel spend and DEFRA GHG Conversion Factors for Company Reporting 2024 for air travel. When these emissions factors are applied to our 2023 footprint, our emissions rise from the previously communicated 8,504 MT CO<sub>2</sub> to 13,699 MT CO<sub>2</sub>.

In addition, we observed a 20% increase in year-over-year business travel, and the inclusion of OHA also contributed to higher business travel emissions in 2024. Similar to our approach in 2023, the majority of our emissions from travel are calculated using the distance-based method, with approximately one-third calculated using the spend-based method.

We aim to reduce emissions from business travel in ways that do not limit the effectiveness of our global operations. T. Rowe Price Associates maintains a Travel Policy, which encourages associates to consider travel options with lower emissions, such as direct flights and traveling by rail instead of air when possible. Our travel provider shows projected emissions associated with employees' travel options to help inform their selection.

For the third consecutive year, we have partnered with Climate Vault to invest in climate solutions that address our emissions from business travel. Climate Vault is an award-winning nonprofit founded at the University of Chicago. It purchases and "vaults" carbon allowances on government-regulated compliance markets. Because the number of allowances is limited, keeping them off the market decreases CO<sub>2</sub> emissions and provides a quantifiable carbon reduction. Climate Vault's approach is easily measurable (1 permit = 1 ton of CO<sub>2</sub>), provides price transparency, and is rigorously verifiable. Climate Vault intends to eventually use the monetary value of the permits to fund carbon dioxide removal technologies to eliminate the CO<sub>2</sub> already in our atmosphere. In addition to annual financial audits, Climate Vault voluntarily undergoes procedures over carbon allowances from independent accountants.<sup>9</sup>

Since we began addressing our business travel emissions, cost per metric ton of carbon permits has increased notably. We were pleased to continue to make a donation to Climate Vault to purchase carbon allowances for 11,500 metric tons of CO<sub>2</sub> emissions and are planning to make another donation to cover the remaining 370 MT CO<sub>2</sub> emissions. Our donations will cover emissions that were calculated using the distance-based calculation methodology, which we believe provides a more accurate metric, and will exclude emissions from OHA's business travel, as it maintains a separate approach to address emissions from their operations.

Our emissions from employee commuting decreased slightly from 16,813 MT CO<sub>2</sub> in 2023 to 13,514 MT CO<sub>2</sub> in 2024. The majority of this (8,801 MT CO<sub>2</sub>) was generated from commuting into the office while a smaller amount (4,614 MT CO<sub>2</sub>) is from telecommuting. To encourage the use of electric cars, we provide free charging stations at most of our global facilities, providing access to 77% of our global workforce as of December 31, 2024.

<sup>9</sup> Climate Vault's purchase of carbon allowances and the effectiveness of such carbon allowances is not subject to review by independent certified public accountants.



# Social

73 Human Capital

86 Supply Chain

83 Data Responsibility

87 Community Investment



# Human Capital

## **Our Associates Drive Our Success**

In 2024, we strengthened our commitment to providing a best-in-class experience for our associates. Our goal is to be an employer that enables all associates to grow and make a difference in ways that matter to them.

Through this human-centered approach, we are enhancing the associate experience in the following ways:

**Expanding career and leadership development**

**Enhancing emotional and physical health benefits and ongoing reviews of short- and long-term compensation**

**Strengthening our generous and collaborative culture with new physical spaces in which to connect**

**Evaluating new ways for the firm to help associates make an impact in their community**

Our Management Committee and Board of Directors continue to ensure we are setting high standards for the way we recruit, hire, mentor, and develop talent.

## Supporting Our Workforce<sup>†</sup>

T. Rowe Price emphasizes an inclusive culture where associates are encouraged to bring their best selves to work. The diverse perspectives, experiences, talents, and backgrounds of our global associates allow us to arrive at well-informed decisions for our clients.

Our intentional and sustainable approach is right-sized for our associates and the locations where we live and operate. We promote equal access and opportunity for all associates and have a robust governance structure that allows us to hold ourselves responsible for advancing our shared ambition and impact.

We continue to look across our organization for ways to integrate and sustain access and opportunity in ways that strengthen a sense of belonging. Our programs and expectations for a culture of inclusion are consistently woven throughout our practices and policies in every area of the talent life cycle. Additional details are available to associates in our Diversity, Equity, and Inclusion Policy.

### Total U.S. Workforce<sup>1</sup>

EEO Classification	Male							Female						
	Hispanic or Latinx	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	Hispanic or Latinx	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races
Executive management	0.68%	53.06%	4.76%	-	6.80%	-	0.68%	0.68%	27.21%	2.72%	-	3.40%	-	-
Non-executive management	1.45%	44.09%	2.69%	0.16%	9.88%	0.16%	1.34%	1.13%	31.15%	3.17%	-	3.81%	0.16%	0.81%
Professional	2.80%	37.19%	5.21%	0.13%	9.79%	0.13%	1.14%	2.18%	28.08%	5.69%	0.13%	6.18%	-	1.33%
All other employees	2.94%	34.87%	7.74%	-	2.22%	0.06%	1.86%	3.90%	26.17%	15.13%	0.12%	2.64%	0.12%	2.22%
<b>Grand total</b>	<b>2.42%</b>	<b>38.87%</b>	<b>5.13%</b>	<b>0.10%</b>	<b>7.88%</b>	<b>0.12%</b>	<b>1.36%</b>	<b>2.28%</b>	<b>28.44%</b>	<b>7.26%</b>	<b>0.09%</b>	<b>4.59%</b>	<b>0.07%</b>	<b>1.38%</b>

<sup>1</sup> To ensure consistency across our reporting and minimize operational burden, we align our disclosure with our EEO-1 data, which does not include an “undisclosed” category. Definitions are based on the U.S. Equal Employment Opportunity Commission’s EEO-1 Survey. As of December 31, 2024, our U.S. associate population (regular associate population, excluding interns, fixed terms, and contingent workers) represents 83% of our global workforce. Ethnicity data is not consistently available outside of the U.S.



## Sustaining an Inclusive Culture‡

Business resource groups (BRGs) provide important perspectives that help shape our company culture, especially in recruitment and retention. At the end of 2024, more than 55% of associates were members of at least one BRG.

BRGs are open to all associates. These associate-led groups contribute valuable information and insights toward programs to reinforce our inclusive culture, support career development, strengthen our brand in the community, and deliver our services in the marketplace. T. Rowe Price also hosts listening sessions to better understand associate experiences and to promote inclusion in the workplace.

### Our BRGs Include:

**MOSAIC**

@ T. Rowe Price

Advances inclusion, engagement, and equal opportunity for ethnically diverse talent and allies.

**THRIVE**

@ T. Rowe Price

Advances inclusion, engagement, and equal opportunity for associates with varied abilities and broad spectrums of conditions.

**PRIDE**

@ T. Rowe Price

Advances inclusion, engagement, and equal opportunity for LGBTQ+ talent and allies.

**wave**

@ T. Rowe Price

Advances inclusion, engagement, and equal opportunity for women at T. Rowe Price.

**V★LOR**

@ T. Rowe Price

Advances, inclusion, engagement, and equal opportunity for military veterans, while honoring their strength, contributions, and experience.

## OHA Programs for Cultivating a Diverse and Inclusive Workforce<sup>‡</sup>

OHA maintains its own programs and governance structure to facilitate a workplace where all employees feel supported and engaged. OHA's Diversity, Equity, and Inclusion Program focuses on the following three areas:

- Enhance employee engagement
- Expand community engagement and impact
- Recruit, develop, and retain talented employees with diverse backgrounds and experiences

**Employee Resource Networks** help support OHA's focus areas by seeking to educate and empower employees, inform pathways to advancement within OHA, and provide networking opportunities.

These include:

**LGBTQ+ Network**

**Multicultural Network**

**Sustainability Network**

**Veterans Network**

**Women's Network**

OHA is a signatory of the Institutional Limited Partners Association Diversity in Action Initiative. Additional information about its diversity, equity, and inclusion initiatives is available in their [ESG Report](#).

## Global Partnerships<sup>2</sup>

Strategic partnerships help us expand our reach, identify learning and training opportunities, and further engage with prospective associates of all backgrounds. As part of our disability inclusion strategy, we continued to partner with Disability:IN to leverage best-in-class programming and expertise to achieve disability inclusion as well as participate in the Disability Inclusion Index.

We are proud to partner with Management Leadership for Tomorrow (MLT), a nonprofit organization that supports employers in their strategic workforce impact. This partnership has positioned us to strengthen inclusion broadly, leveraging best practices and thought leadership to inform our approaches.

We continue to partner with CNote, a social enterprise that helps to create jobs and invest in financially underserved communities in the U.S. and that serves as a single point of investment for cash deposits into financial institutions that provide small business loans to entrepreneurs. More than USD 48.3 million has been deployed to financial institutions that provide small business loans to underserved entrepreneurs since June 2023.

We are continually enhancing our recruitment practices to attract professionals with the capabilities, skill sets, and experiences to drive outcomes for our clients and to offer programs and events that engage and expose candidates to our firm, our culture, and our associates.

A cornerstone of the Talent Acquisition team's efforts includes outreach initiatives to ensure we expand and maximize the candidate pool while incorporating opportunities to nurture candidate relationships in their earliest stages. We are focused on attracting top talent by implementing strategies and developing partnerships that position us to recruit from a broad range of professionals.

<sup>2</sup> This section is not subject to review by independent certified public accountants.

## Programming

- **Launching Your Legacy:** Provides undergraduates an opportunity to learn more about the investment management industry and career pathways through workshops, panels, and networking activities.
- **Stock Pitch Workshop:** The program, which is open to all, especially encourages women to pursue a career in investing. We offer opportunities to interact with our investment professionals, to learn effective stock pitch practices, and to increase awareness of research and investment careers at T. Rowe Price, prior to entering the second year of an M.B.A. program.
- **Pre-M.B.A. Internship Program:** The accelerated, three-week internship program engages M.B.A. students, including those who are underrepresented or first-generation, before entering their first year of business school. The program provides pre-M.B.A.s an opportunity to work on a research project, network, and learn from seasoned investment professionals.
- **M.B.A. Days:** This multiday program exposes students to the asset management industry during the first semester of the M.B.A. program. Participants attend investment meetings; gain an understanding of what an M.B.A. internship with the Investment division entails; participate in learning sessions; and network with investment professionals, senior management, and other professionals from across the firm.

Strategic partnerships with professional associations and organizations are key in expanding our reach and help us to further engage with prospective associates of all backgrounds. For many years, we have partnered with the Robert Toigo Foundation, the only M.B.A. fellowship program solely dedicated to the development of minority professionals ready to lead within the finance industry, which has resulted in our attracting several talented associates.

We have similar relationships with Girls Who Invest, BLK, Society of Hispanic Engineers (SHPE), the Hispanic Federation, Lesbians Who Tech, Power to Fly, Catalyst, Out & Equal, and the National Association of Securities Professionals (NASP), among others, and we continue to evaluate other partnerships to source talent.

We also partner with Baltimore-based Morgan State University and have appreciated the partnership of associates who have leveraged their networks and alumni groups to deepen relationships with historically Black colleges and universities to further expand our pipeline of talent local to our Baltimore, Maryland, headquarters. Our recruiting efforts and other internal initiatives have also served to build engagement with and strengthen the network of Morgan State alumni at the firm. We have numerous partnerships in place with Morgan State University, including the *Barron's* in Education program sponsorship, which provides unlimited free insights from *Barron's* magazine, industry events, industry experts, and experiential learning engagement to students and faculty.

We are also a sponsor of Morgan State's Capital Markets Lab, whereby T. Rowe Price associates lead the curriculum for a four-week Student-Managed Investment Fund Bootcamp (SMIF) focused on financial statement analysis, valuation, and modeling.

In support of our talent pipeline, our partnership with Diversity Project UK champions a diverse and inclusive UK investment and savings industry. Girls Are Investors (GAIN) encourages undergraduates to consider careers in investment management in the UK. In APAC, we partner with Future Females in Finance (F3) to host students for a six-week experience to introduce careers in asset management.

## Annual Employee Turnover<sup>3</sup>

Year	Percentage
2024	9%
2023	9%
2022	13%

## Global Career Framework

Our Global Career Framework (GCF) is a structure based on tracks and levels that organizes roles across the firm to create clarity around responsibilities and expectations. With standardized descriptions and titles, the framework provides a tool for career development and alignment firmwide. Our learning experience platform, Degreed, is a digital portal for learning, skill building, and career planning. Degreed supports our GCF structure by auto-populating role-based skills for development into an associate's profile. Our GCF and Degreed skill pathways support role clarity and career progression, providing transparency around potential opportunities in other areas of the firm that might align with an associate's current skill set and interests.

## Learning and Development

We encourage associates to own their career and partner with their manager to discuss their development goals. In addition to formal performance reviews, associates and managers engage in regular development conversations throughout the year. We foster continuous learning by providing associates access to hundreds of live and self-paced training programs, more than 20 certifications, hundreds of continuing professional education and professional development unit credits, and a tuition assistance program.

A gateway to skills-based learning, the content in Degreed aligns to role-specific skills and leadership capabilities. It brings together education, exposure, and experiential opportunities from a variety of firm-endorsed providers such as Udemy, getAbstract, and Amazon Web Services.

The Career Compass website highlights resources for associates in every stage of the associate life cycle, from onboarding to career conversations, development coaching, and mentorship. These resources support internal mobility and growth. We fill over one-third of our open positions with internal applicants, and most of our portfolio managers have been promoted internally.

<sup>3</sup> The turnover percentage shows the number of employees who left the organization, both voluntarily and involuntarily, exclusive of employees terminated as part of a reduction in force.



## Leadership Development at Every Level

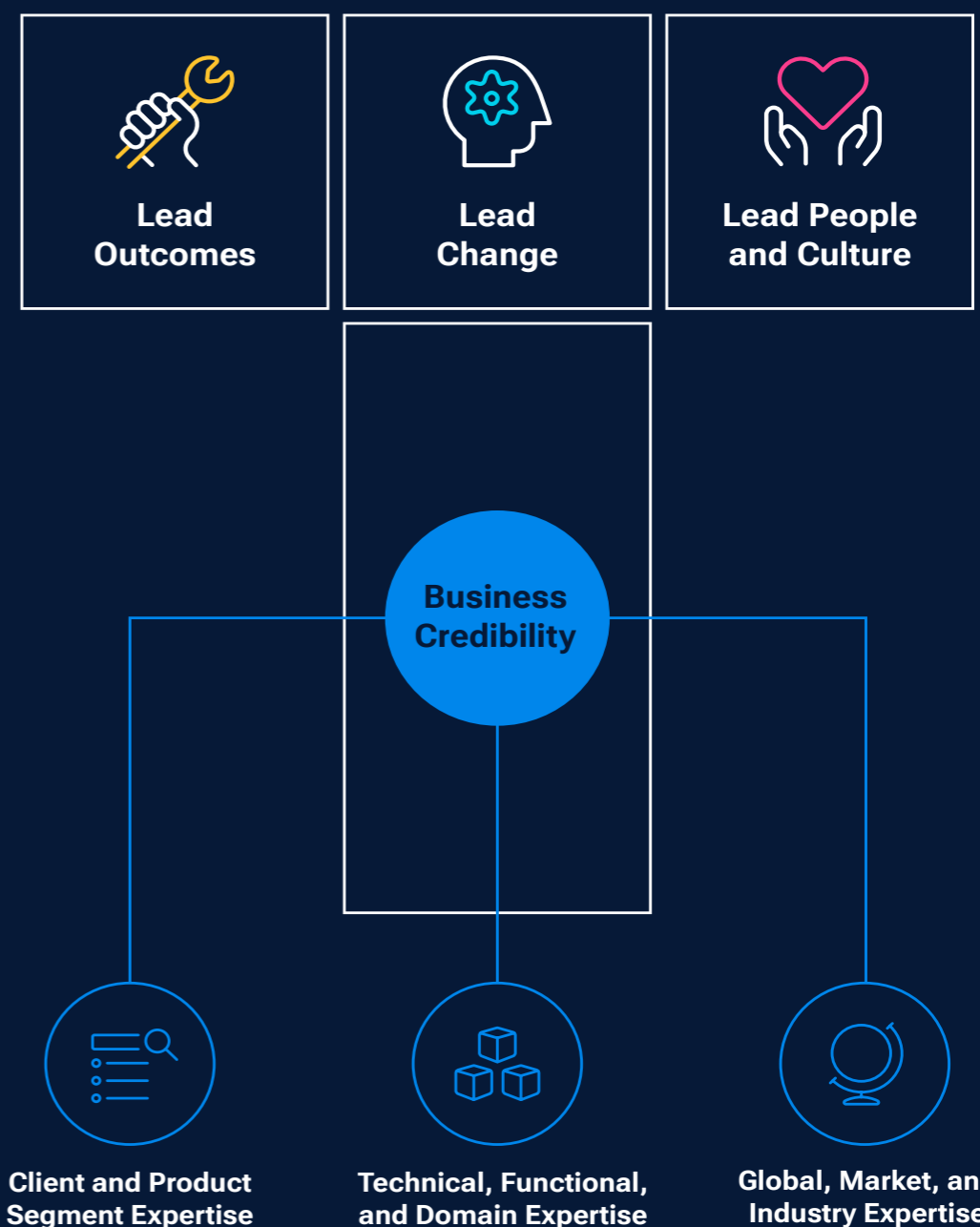
Our Leadership Framework instills our belief that all associates are leaders and are expected to maximize potential, drive client value, and activate our culture. We emphasize business credibility and leadership capability to deliver our strategy, activate our values, and generate results for clients. We offer leadership development across four levels of proficiency according to managerial scope and business impact, focusing on prioritized skills by level. We align the prioritized leadership skills with our Global Career Framework to provide associates with role transparency, opportunities for career mapping, and internal mobility. In addition, through the provision of corresponding development opportunities, we empower associates to design their personal and professional development path, strengthen their workplace relationships, and accelerate their career progression.

## Leadership Training

Fostering strong leadership requires intentional focus. We encourage all associates to align at least one development goal to a leadership capability in our Leadership Framework. We provide learning and development opportunities to all associates to enable strong leadership and performance across the organization. To support this focus, we provide all associates access to multiple learning experiences. In 2024, we launched:

- Thousands of pieces of on-demand content, some made available through leading universities across the globe
- A senior and executive leadership program
- Manager training
- An enhanced suite of programs/workshops for all associates

Additionally, in 2024, we opened applications and nominations for the launch of our Leadership Academies. These cohort programs enable associates at all levels to develop their leadership capabilities and connections across the firm. By providing various leadership and learning experiences, we provide tailored opportunities for talent segments, such as managers, high-potential talent, and diverse talent, to ensure growth for all associates.



We all share responsibility for strengthening our culture of inclusion and intentionally ensuring that inclusive practices are woven into our core programs. For example, we offer several learning opportunities to better support inclusion and allyship. We make our inclusion programs available to all associates and people leaders. As of year-end, 91% of our people leaders completed training on managing inclusively, which has set the foundation for continued learning in this space. We design our inclusive learning experiences and resources to give associates a better understanding of how leaders can achieve a multiplier effect by inclusively leading through others. Our learning pathways empower associates to design their personal and professional development path.

### Annual Employee Training Hours

Year	Total Hours	Average Hours per Associate	% Associates Completing Optional Training
2024	165K	21	91%
2023	99K	13	66%
2022	205K	27	76%
2021	200K	21	85%
2020	140K	18	89%



Since 2017, we have published an annual UK Gender Pay Gap Report. This report details the average and median difference in pay between men and women in our UK office. Our 2023 report can be found [here](#).

## Mentorship and Sponsorship

T. Rowe Price is committed to the growth and retention of our associates. We believe mentoring is one of the most powerful and effective strategies for career development and offer firmwide mentorship through MentorcliQ, a full-service mentor matching platform available to all associates, to increase access to leaders across business units and support associates' development throughout their career journeys. Firmwide enrollment remained steady from 2023 at 19% with an overall satisfaction score of 4.5, which exceeds MentorcliQ's average 4.0 out of 5.0 satisfaction score. In 2024, our associates invested 2,785 hours in the program.

The program enables a tailored mentoring experience by offering three kinds of mentorship: traditional (involving a one-on-one mentor/mentee pairing), reciprocal or co-mentoring (with interchangeable mentor and mentee roles), and mentoring circles (groups that support one another in their interests and goals). Our approach allows us to develop talent and facilitate a culture of inclusive learning across regions and business areas.

T. Rowe Price leverages sponsorship to accelerate the development and advancement of our most talented associates. Our executive-level sponsors serve as career-advancing advocates that take joint ownership of the development and progression of their protégés.

Sponsorship was also a key component of our Accelerated Leadership Development Experience (ALDX), a nine-month experience for high-potential leaders focused on building executive, global, and business leadership skills and capabilities to strengthen their readiness for future leadership roles. Following the completion of the ALDX experience in 2024, the group transitioned into our broader senior and executive leadership experience in partnership with University of Virginia's Darden School of Business.

## Ensuring Associates' Voices Are Heard: 2024 Associate Survey Highlights

To measure and help our firm's leaders understand associate experiences that impact their engagement, we conducted an engagement survey.

The following results from our engagement survey reflect sentiment from our efforts to foster our diverse, equitable, and inclusive culture:

**79% feel they can get the support they need from their managers.**

**75% would recommend T. Rowe Price as a great place to work.**

**71% feel T. Rowe Price has a great culture.**

Results are reviewed by our senior leadership and inform decision-making about a wide range of topics, including job satisfaction, work-life balance, and company culture.

## Investing in Our Associates' Health and Well-Being

A robust benefits program is critical in today's competitive workforce. In all our global locations, we offer associate benefit solutions, including both health care and retirement benefits (where applicable), fitness club reimbursement, life insurance, Employee Assistance Programs, access to mindfulness programs, financial well-being resources, and a well-being platform that offers a personalized approach to building daily health habits. Our global Employee Assistance Programs provide counseling sessions, with on-site in-person sessions at select locations, peer support groups, group de-stress sessions, and live educational well-being webinars as well as further support and information in their respective online platforms. We assess benefit competitiveness and design within the relevant market for a given country and align offerings with our global principles and local market practice. For example, we design retirement programs to support associates in meeting retirement goals, while also reflecting regional and country-specific practices in Asia, Europe, and North America.

We offer a variety of benefits to support childcare and family planning needs. The firm provides fully paid maternity leave for birth mothers, in addition to fully paid parental leave to all new mothers and fathers. We provide vacation, personal time, and a wellness day, in recognition of the importance of disconnecting from work and encouraging self-care. In the U.S., the UK, and Canada, we offer our associates backup childcare and eldercare.

For our UK location, we have hosted Benefits Drop-In Sessions highlighting medical benefits and support through the Neurodevelopmental Pathway to speed up access to diagnosis of attention deficit hyperactivity disorder (ADHD), autism spectrum disorder, and Tourette's syndrome. We organized a Wellness Week on-site in select APAC locations, including a pop-up corporate gym, flu vaccinations, and various seminars to support associates' health and well-being.

Our U.S. health care plan provides inclusive fertility benefits for enrolled associates and their partners who want to have a child or preserve their fertility. The health plan also provides coverage of a variety of family planning services. The plan also covers eligible travel and lodging expenses should a covered medical service not be available from an in-network provider within a certain distance of an associate's home address. Our adoption assistance benefit supports associates looking to expand their families. Additional financial well-being support is available through access to personalized assistance and education in all areas of financial planning to support associates' financial well-being.

## Our Hybrid Working Policy

Our objective is to enable flexibility regarding where and how work gets done while maintaining our collaborative in-person culture. We believe it is vital to build a model that both sustains our culture and supports the well-being of our associates.

Since our associates returned to the office full time in March 2022, our flexible policy:

- Offers remote work up to two days per week for most of our associates—notable exceptions are in Investments, regulated, and essential roles that require more in-person presence.
- Strengthens our ability to attract and retain diverse talent.
- Sustains our culture through purposeful, in-person connections. We recognize that different associates have different considerations, and they may work with their managers to determine alternative schedules and remote options.

## Spotlight on Human Rights

We consider the most material human rights issues for operations to encompass:

**Nondiscrimination with respect to employment**

**Gender equality**

**Working conditions**

**Safe and healthy working environment**

**Digital security/privacy**

Because our highly skilled office-based workforce operates in countries with lower prevalence of modern slavery and human trafficking according to the Global Slavery Index,<sup>4</sup> we consider the overall risk that our business has directly caused or contributed to these issues to be low.

Our global human resources policies and procedures ensure compliance in all the regions in which we operate. Additional information is available in our [Human Rights Policy](#).

For information on how human rights are considered in our investment decisions, please refer to our [Investment Policy on Human Rights](#).

<sup>4</sup> The Global Slavery Index is a global study of modern slavery, published by the Minderoo Foundation's Walk Free initiative, providing national estimates of modern slavery's prevalence in 160 countries.

# Data Responsibility

## Safeguarding Privacy and Client Confidentiality

One of our firm's core values is acting with accountability and integrity. When it comes to privacy and client confidentiality, that means we comply with our obligations under applicable privacy and data protection laws and contractual commitments and maintain a corporate culture that regards the ethical use and disclosure of personal and confidential client data with the utmost importance. Clients and associates entrust us with their personal and confidential data, and we embed privacy and client confidentiality principles across our processes, technologies, and services to uphold their trust.

## Privacy and Client Confidentiality Governance and Accountability

We demonstrate our commitment to privacy and client confidentiality through our dedicated Global Privacy Office (GPO). The GPO oversees privacy and client confidentiality risks, compliance, and continuous program improvements. Roles and responsibilities are outlined to ensure accountability, as well as a consistent approach to privacy and client confidentiality across the three lines of defense. Compliance is reinforced through regular internal audits and risk assessments. We use the NIST<sup>1</sup> Privacy Framework to guide the execution of our governance practices and to measure the effectiveness of our privacy program, and we provide regular reporting as appropriate to leadership.

## The Following Principles Are Embedded in Our Business Activities:

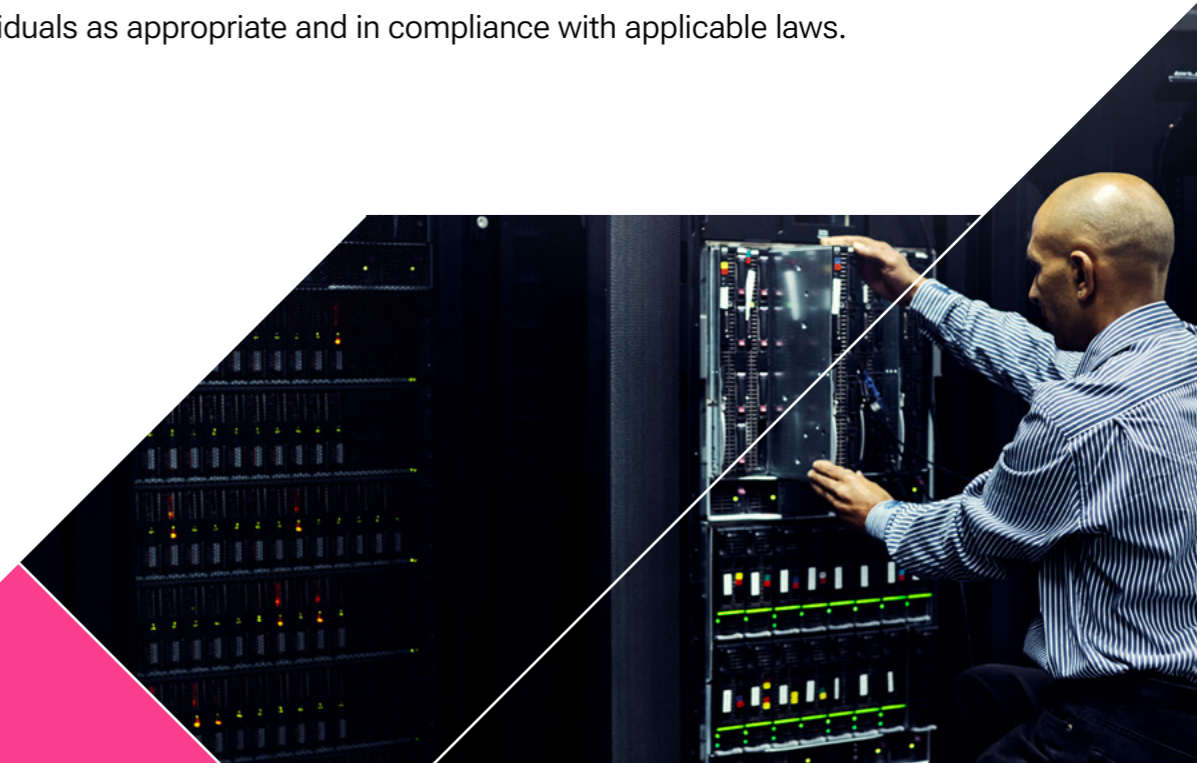
### Privacy and Security by Design

Privacy and data protection are embedded in the early stages of design and development of new processes and technologies. Instilling Privacy and Security by Design not only supports our risk management and compliance goals, but also ensures we consider the benefits to, and potential impacts on, the human rights of individuals whose personal data are involved.

### Transparency

We are open with clients and associates about the collection, use, and disclosure of their personal data. We publish and maintain up-to-date privacy notices on our websites and ensure that our personal data processing aligns with our public notices. Our full privacy notices are available on [troweprice.com](https://www.troweprice.com). We are committed to providing timely notifications of data security incidents to impacted clients and individuals as appropriate and in compliance with applicable laws.

<sup>1</sup> National Institute of Standards and Technology.



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## Privacy Rights

We enable individuals to make choices and exercise their rights and control over their personal data under applicable laws, as described in our privacy notices. We provide mechanisms for them to contact T. Rowe Price's Global Privacy Office with inquiries regarding their privacy and our privacy practices.

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## Keeping Our Associates Current

The worldwide regulatory landscape is changing rapidly. To keep pace with these changes, we educate our associates, providing them with the training and resources they need to comply with new and existing laws. Associates complete mandatory training on the appropriate use and handling of personal and confidential client data, Privacy and Security by Design, and core principles described in our Global Privacy Policy and Global Confidential Client Data Policy.

## Cybersecurity Risk Management and Strategy

T. Rowe Price has a holistic firmwide approach to risk management, including material risks from cybersecurity threats. The firm's overall risk management framework is designed to identify, assess, report, and manage risks that could affect the firm's ability to achieve its objectives and goals. This risk management framework operates across our business lines and integrates business operational resiliency and technology-related risks, such as cybersecurity threats.

As part of the firm's risk identification and assessment framework, we identify and assess key risks from cybersecurity threats specific to our environment for adequacy of controls. Management identifies risk inherent to cybersecurity threats, estimates their significance, assesses the likelihood of their occurrence, establishes acceptable risk tolerance levels, and implements appropriate measures to monitor those risks. Action plans may be developed for identified control issues, and management is responsible for addressing these issues.

Although management is responsible for the firm's day-to-day cybersecurity operations, the Board oversees the firm's cybersecurity program. The Board does not delegate this responsibility to a committee, nor does the Board identify a cybersecurity expert to consider the firm's activities and make recommendations or provide advice to the Board. Instead, many of our directors have significant technology expertise gained through their prior work experience and through their positions on other Boards of Directors, all of which provides the Board with insight and practical guidance in overseeing the firm's technology and operations as well as our continuing investment in and development of our cybersecurity program.

Our CEO has ultimate responsibility for developing strategy and overseeing execution to meet the firm's objectives. The CEO has delegated oversight of this operational execution to our COO. Several leaders within the COO organization develop and oversee the firm's risk management, technology, and information security practices, as further described below.

The firm's CRO leads the Enterprise Risk program, providing the framework and tools used by all business teams across the firm, including technology, to identify, assess, and manage risks from cybersecurity threats in coordination with the firm's chief information security officer (CISO). The Enterprise Risk team provides guidance and support in identifying, assessing, and monitoring all aspects of risks from cybersecurity threats. Enterprise Risk conducts risk assessments for technology and cybersecurity and coordinates with Internal Audit and Global Compliance to provide risk assurance activities.

Enterprise Risk is primarily responsible for reporting risks, including cybersecurity threats, to executive leadership and the ERM. The ERM supports the efforts of the CRO in providing corporatewide oversight of our firm's risk management efforts and provides a path for risk escalation. This committee monitors risk management activities, including cybersecurity matters, and reports periodically and more frequently as necessary to our Board of Directors and Audit Committee.

Cybersecurity risk management practices operate enterprisewide, across T. Rowe Price legal entities, including OHA. In addition, OHA has established an independent risk committee, which includes responsibilities for prompt escalation of key risks and incidents such as cybersecurity to the T. Rowe Price CRO.

T. Rowe Price maintains documented Enterprise Incident Management and Reporting Policies and Procedures, outlining responsibilities and requirements for escalation of various types of incidents, including cybersecurity threats and incidents. Our process is designed to investigate incidents efficiently, identify the root cause, communicate with the affected parties as appropriate, spot trends, and recommend improvements to mitigate risk. These firmwide procedures determine and incorporate incident materiality assessment within senior executive levels.

Global Technology and business unit management are also responsible for implementing internal controls to manage risks from cybersecurity threats to an appropriate level in line with the firm's risk appetite. Cybersecurity risks are managed across all lines of business, requiring support and participation across all levels in the organization.

Within Global Technology, Enterprise Security is responsible for maintaining security policies, standards, and guidelines and routinely works with our Enterprise Risk, Compliance, Internal Audit, and other key technology and corporate stakeholders to establish security controls, enforce them, and monitor their adherence on an ongoing basis. Enterprise Security conducts regular phishing tests and manages annual employee training focused on raising awareness and highlighting the important role our associates play in protecting the firm from cybersecurity threats.

Business Continuity and Disaster Recovery programs execute regular testing across business and technology teams to demonstrate resilience. The CISO regularly reviews the cybersecurity program and strategy with various risk committees, including the ERM, Management Committee, and Audit Committee.

This ensures risks from cybersecurity threats are properly managed and our enterprisewide cybersecurity program is aligned with the business needs and defined risk tolerances or risk appetite.

The cybersecurity program includes regular assessment on the effectiveness of the firm's risk mitigation strategies. Assessments include third-party validation to help ensure our internal controls and safeguards adhere to security and compliance standards. We annually undergo external examinations, such as Sarbanes-Oxley relating to financial reporting, System and Organization Controls (SOC) 1, and SOC 2 for key operational business units. In addition, we periodically engage with third-party partners to perform an independent evaluation of our cybersecurity program against industry-recognized frameworks and standards (e.g., National Institute of Standards and Technology), as well as external network penetration testing. This complements our internal assessments, such as application security testing, vulnerability management, and penetration testing. The firm participates in various industry threat intelligence information-sharing forums to stay current on evolving cyber risks and threats. The results of these assessments are discussed with and reviewed by the Audit Committee and shared with the Board annually.

Within Enterprise Risk, governance processes are established, including a formal Supplier Risk Management program overseeing third-party relationships based on documented risk thresholds. The Supplier Risk Management program performs regular assessments, including information security reviews. Both our centralized risk group and business line supplier managers perform ongoing monitoring to raise new threats or weaknesses associated with a third-party service. In accordance with our own Enterprise Incident Management Policy, any third-party cybersecurity incident is reported and evaluated for further review and impact analysis.

# Supply Chain

## Supplier Code of Conduct

Our [Supplier Code of Conduct](#) articulates our commitment to ensuring alignment with suppliers with the highest levels of integrity and ethics and promoting a culture of inclusion while providing safe working conditions. In 2024, updates were made to the Supplier Code of Conduct to include the Anti-Greenwashing rule of the Sustainability Disclosure Requirement (SDR) enacted in May 2024. According to the Anti-Greenwashing rule, any sustainability references communicated externally in the UK must be consistent with the sustainability characteristics of our products and services and be fair, clear, and not misleading. These guidelines are also reflected in our Procurement Operating procedure.

T. Rowe Price values its partnerships with suppliers and encourages our entire supply chain, including their employees, agents, and contractors, to comply with all applicable laws and adhere to the standards outlined in our Supplier Code of Conduct. Compliance with these laws and standards is essential for evaluating all aspects of our supplier relationships.

## Small Business Sourcing

T. Rowe Price has a Small Business Sourcing program that strives to increase the visibility and access to business opportunities for small businesses. We aim to build lasting relationships with business owners and improve spending and engagement with the small business community year over year while maintaining cost discipline and adhering to supplier risk standards.

Supplier Development and Engagement are strategic initiatives that drive program success. In 2024, we hosted our second annual Supplier Learning Day, a full-day workshop dedicated to the growth and development of suppliers. This event was designed to educate entrepreneurs and connect them with thought leaders and decision-makers at T. Rowe Price. This year's workshop focused on the information technology contract category and welcomed 17 suppliers. The workshop also provided networking opportunities between business owners, encouraging them to enhance their capabilities, find synergies, and build lasting relationships.

In 2024, we implemented a new reporting process that improved our supplier spending data. Through quarterly data enrichment, we ensure we are accurately capturing all suppliers, especially those with local and regional certifications. We are benchmarking our progress using the refined year-end results from 2023 and industry best practices, and we will continue to evaluate our efforts as the program evolves.

We also increased our direct spending with small businesses to USD 114 million, representing 9.1% of our total corporate addressable spend. Of this amount, USD 94.5 million directly impacts our local small business community, accounting for 7.3% of our total spend. Additionally, we captured USD 40.5 million in indirect spending through our Tier 2 Reporting Initiative, which began in 2023. This brings our total 2024 direct and indirect spending through the Small Business Sourcing program to USD 154 million.



# Community Investment

We pride ourselves on making an impact far beyond our walls by supporting positive change in the communities where we live and work. We leverage the skills, resources, and expertise of our associates and philanthropic arm—the T. Rowe Price Foundation—to harness our collective power to invest in opportunities that enrich lives and enable equitable solutions.

We expand opportunities in our communities by breaking down barriers. Our efforts come to life through deep relationships that include pro bono and volunteer opportunities, grantmaking, associate giving, community partnerships, and signature programming.

## Supporting Communities Through Philanthropy

The firm's philanthropic Foundation was founded in 1981 and has been steadfastly committed to its mission of pursuing the long-term success of communities where T. Rowe Price associates live and work. The Foundation aims to help advance community goals and build strong nonprofit leaders and organizations. Through grantmaking, we support organizations that are making a difference in areas such as youth empowerment, neighborhood access and opportunity, creativity and innovation, and financial well-being.

Since its inception and through December 2024, the T. Rowe Price Foundation has provided USD 194 million in direct grants and matching gifts. Total direct grant giving in 2024 was USD 6.2 million.

## Supporting Communities Through Service and Donations

The firm's associates bring a spirit of generosity to everything they do, volunteering countless hours assisting and leading nonprofits and donating their time, talents, and resources to support communities around the world. Associates actively engage in workplace giving and individual and team volunteer opportunities, Board leadership and service, and the firm's Matching Gift Program.

We proactively support initiatives that associates care about by providing opportunities for them to contribute their time and expertise through:

- Paid volunteer workdays
- USD 10 per hour to a nonprofit of the associate's choice for qualified volunteer service
- Supporting Board service
- Sponsoring associates' favorite nonprofit events
- Pro bono volunteer opportunities

The firm hosts year-round volunteer events that represent associates' interests and skills. To support pro bono volunteer opportunities, T. Rowe Price partners with Business Volunteers Maryland to facilitate nonprofit consulting projects. Teams of T. Rowe Price volunteers offer their expertise and consultative skills to assist the nonprofits in navigating business challenges related to strategic planning, finance, fundraising, human resources, marketing, and more. In 2024, we provided 130 hours of pro bono consulting services. The firm's generous global Matching Gift Program enables our associates to double the impact of their charitable gifts. It also encourages volunteer service by awarding grants to organizations supported by our associates.

## Community Investment Highlights:

- We continue to work with **CNote**, a social enterprise that helps to create jobs and invest in financially underserved communities in the U.S., and that serves as a single point of investment for cash deposits into financial institutions that provide small business loans to entrepreneurs. More than USD 48.3 million has been deployed to financial institutions that provide small business loans to underserved entrepreneurs since June 2023.
- Our **Money Confident Kids**<sup>®</sup> global program is the cornerstone of our commitment to building financial capabilities in our communities. Informed by proprietary research, the program provides kids, parents, and educators with the tools and resources they need to learn or teach and retain basic financial concepts. This program is available in the U.S., the UK, Australia, and Japan.
- T. Rowe Price supports the **Chapter One** literacy program, which supports youth in the London community and across the United States to advance their reading skills and reading levels. T. Rowe Price associates in the UK and the U.S. volunteer virtually each week throughout the academic year.
- The T. Rowe Price Foundation supports **Neighborhood Financial Trust (NFT)**, a nonprofit partner since 2019. NFT works to build the financial health and resiliency of Baltimore's low-income workers through financial coaching and programs that reduce debt and improve their cash flow. Since 2019, more than 499 workers' lives have been transformed through their work with Neighborhood Financial Trust.
- The T. Rowe Price Foundation is a supporter of **DesignFest**, created in partnership with Maryland Institute College of Art, which connects volunteer pro bono designers and marketers with nonprofits seeking marketing and branding help in an energetic one-day design-a-thon. More than 100 organizations have received nearly USD 1 million in in-kind support through this program.
- We are a lead funder of the **Baltimore Arts Education Initiative**, which aims to ensure that all Baltimore City public school students have access to high-quality arts education in grades K–12.
- T. Rowe Price cocreated the **Elevation Awards** program with Baltimore Corps to assist social entrepreneurs and community leaders from underrepresented groups in Baltimore who are strengthening their communities with financial and technical support.
- We cofounded the **Baltimore Ravens Leadership Institute**, which offers students throughout Baltimore City and Baltimore County meaningful engagement with community, civic, and business leaders throughout the academic year. This experience is designed to boost academic performance and facilitate new leadership opportunities.
- Multiyear funding from the T. Rowe Price Foundation was provided to support **The Career and Innovation Center** at the University of Colorado, Colorado Springs. The center provides comprehensive support to address students' career needs and myriad programs, events, resources, and services to help undergraduate and alumni students.
- Our **Capacity Building Program** hosts workshops and cohort learning opportunities for nonprofits designed to strengthen the delivery of their services and their ability to deliver on their mission. Since 2016, more than 11,000 individuals have participated in the program.



# 2024 Community Investment by the Numbers

Our 2024 community investments included:

**USD 20.6M Global Total Firm Giving**

(associate-directed, philanthropic grants, corporate sponsorship funding)

**USD 8.0M**

in donations made by associates

**130**

hours of pro bono consulting services provided by associates



**40%**

of associate population donated or volunteered

**910**

nonprofit organizations, and

**2,930**

individuals participated in free educational nonprofit capacity building offerings

**375**

associates served on nonprofit Boards

**USD 6.2M**

grant dollars given

**34,090**

volunteer hours (general and pro bono)

**USD 4.9M**

in matching gifts

**2,000+**

nonprofits supported by the Matching Gift Program through associate-directed giving

**USD 13.1M**

in associate-directed giving

## Reconciliation With Indigenous Peoples

### North America (United States)

As the firm continues construction of our new headquarters in the Harbor East neighborhood of Baltimore City, we have worked with the Baltimore American Indian Center & Heritage Museum to understand and elevate the history of generations who have come before. To honor the rich history of the Piscataway and Susquehannock tribes along the East Baltimore waterfront, the T. Rowe Price Foundation worked with the Waterfront Partnership of Baltimore to build an indigenous history area in partnership with our developer, including physical spaces and educational placards throughout Point Park, educating visitors on the indigenous history of the area.

### Australia

T. Rowe Price Australia has embarked on a journey of reconciliation with Aboriginal and Torres Strait Islander peoples and communities as a first tangible step to learn, understand, and acknowledge First Nations communities and cultures, peoples, and the lands we are so privileged to grace.

While we have recognized and contributed to Aboriginal and Torres Strait Islander communities in the past through charitable donations, educational programs, and incorporating Acknowledgement of Country in our events, we are conscious that the next step in our journey is a more formal program as laid out in our Reflect Reconciliation Action Plan (RAP). Developed and executed in partnership with Reconciliation Australia, this body of work is led by our RAP Action Committee.

New Headquarters  
in Baltimore City





# To Learn 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.



# Glossary of Terms

**Acute Risks—Events/Disruptions:** Event-driven physical risks emanating from climate change, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.

**Biodiversity:** The variety of plant and animal species on Earth, their habitats, and the ecological processes that sustain them.

**Bloomberg Industry Classification Standard:** The Bloomberg Industry Classification Standard (BICS) classifies companies by tracking their primary business as measured first by source of revenue and second by operating income, assets, and market perception.

**Carbon Footprint:** Carbon footprint is the total amount of greenhouse gas (GHG) emissions, usually measured in carbon dioxide equivalents (CO<sub>2</sub>e), caused by an individual, organization, product, or activity.

**Chronic Physical Risks—Events/Implications:** Physical risks emanating from climate change that are long term in nature, such as longer-term shifts in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise).

**Circular Economy:** An economic model that aims to minimize waste and maximize resource efficiency by promoting the recycling, reuse, and regeneration of materials.

**Climate Scenario Analysis:** Climate scenario analysis (CSA) is the process of assessing the potential impacts of different climate change scenarios on an organization's operations, financials, and strategies. It helps identify risks and opportunities related to climate change.

**Climate Value at Risk:** Climate value at risk (VaR) is an output of climate scenario analysis. It is designed to provide a forward-looking and return-based valuation assessment to measure climate-related risks and opportunities in an investment portfolio. It offers insights into how climate change could affect company valuations.

**Disorderly Transition:** A disorderly transition refers to a particular climate scenario. The representative scenario for a disorderly transition assumes a much more challenging pathway to meeting the Paris Climate Agreement targets.

**Energy Transition:** The shift away from the current energy system to one that emits low to zero GHG emissions. This is achieved through the use of energy efficiency measures and the shift to cleaner and more sustainable energy sources, such as renewable energy (solar, wind, hydropower).

**Enterprise Value Including Cash:** Enterprise Value Including Cash (EVIC) is an alternative measure to enterprise value (EV) to estimate the value of a company by adding back cash and cash equivalents to EV. The underlying data used for EVIC calculation are sourced from a company's accounting year-end annual filings. EVIC is updated and reflected once a year as the data are sourced annually.

**ESG Integrated Disclosure Project:** Please refer to [esgidp.org/](https://esgidp.org/) for more information.

**Exposure to Climate Solutions:** Percentage of revenues or use of proceeds aligned to economic activities that are climate solutions (e.g., renewable energy generation, sustainable agriculture, etc.).

**Financed Carbon Emissions (tons CO<sub>2</sub>e/USD million invested):** Allocated emissions to all financiers (EVIC) normalized by USD million invested. Measures the carbon emissions for which an investor is responsible per USD million invested, by their equity ownership. Emissions are apportioned based on equity ownership (percent of market capitalization).

**Financed Carbon Intensity (tons CO<sub>2</sub>e/USD million revenue):** Allocated emissions per allocated revenue. Measures the carbon efficiency of a portfolio, defined as the ratio of carbon emissions for which an investor is responsible to the revenue for which an investor has a claim by their equity ownership. Emissions and revenue are apportioned based on equity ownership (percent of market capitalization).

**Financed Emissions:** Financed emissions are those generated as a result of financial services, investments, and lending by investors and companies that provide financial services.

**Global Industry Classification Standard:** The Global Industry Classification Standard (GICS®) classifies companies in the subindustry that most closely describe the business activities that generate the majority of the company's revenues.

**Implied Temperature Rise:** The Implied Temperature Rise metric provides an indication of how companies and investment portfolios align to global climate targets. Expressed in degrees Celsius (°C), it estimates the global implied temperature rise (in the year 2100 or later) if the whole economy had the same carbon budget over-/undershoot level as the company (or portfolio) in question.

**Nationally Determined Contribution:** The nationally determined contribution (NDC) is where countries set targets for mitigating the greenhouse gas emissions that cause climate change and for adapting to climate impacts through a climate action plan that is updated every five years. The plans define how to reach the targets, as well as elaborate systems to monitor and verify progress so it stays on track.

**Network for Greening the Financial System:** The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) is a group of central banks and supervisors willing, on a voluntary basis, to exchange experiences, share best practices, contribute to the development of environment and climate risk management in the financials sector, and mobilize mainstream finance to support the transition toward a sustainable economy. Its purpose is to define and promote best practices to be implemented within and outside of the membership of the NGFS and to conduct or commission analytical work on green finance.

**Net Zero Status:** Net zero status indicates the level of alignment a company has with a 1.5°C warming scenario. The net zero status alignment scale includes:

- **Achieving:** Company is already achieving the emissions intensity required by the sector and regional pathway to stay within a 1.5°C warming scenario and its ongoing investment plan or business model is expected to maintain this performance
- **Aligned:** Company has a 2050 net zero target that is supported by 1.5°C-aligned short- and medium-term targets, exhibits GHG emissions intensity performance in line with its targets, and has a credible decarbonization plan and capex alignment
- **Aligning:** Company has 1.5°C-aligned short- and medium-term targets and has a credible decarbonization plan
- **Committed:** Company has a 2050 net zero target
- **Not Aligned:** Company does not have adequate GHG reduction targets, disclosure, or performance to qualify for Achieving, Aligned, Aligning, or Committed status
- **Out of Scope:** Asset class is not yet covered by Paris Aligned Investment Initiative (PAII) Net Zero Investment Framework

**Orderly Transition:** An orderly transition refers to a particular climate scenario. The representative scenario for an orderly transition assumes immediate action is taken to reduce emissions consistent with the Paris Climate Agreement.

**Paris Aligned Investor Investment (PAII) Net Zero Investment Framework:** Please refer to [parisalignedassetowners.org/media/2021/03/PAII-Net-Zero-Investment-Framework\\_Implementation-Guide.pdf](https://parisalignedassetowners.org/media/2021/03/PAII-Net-Zero-Investment-Framework_Implementation-Guide.pdf) for more information.

**Responsible Investing:** Responsible investing includes a variety of activities, such as ESG integration, stewardship, management of exclusion lists, security- or industry-level research, and thematic research.

**Science Based Targets initiative:** Please refer to [sciencebasedtargets.org/](https://sciencebasedtargets.org/) for more information.

**Scope 1, 2, and 3 Greenhouse Gas Emissions:** Corporate greenhouse gas emissions are broken down into Scope 1, 2, and 3, where Scope 1 and 2 emissions represent those under the company's direct control and Scope 3 emissions represent those in a company's upstream and downstream value chain.

- Scope 1—refers to all direct emissions
- Scope 2—refers to indirect emissions from consumption of purchased electricity, heat, or steam
- Scope 3—refers to other indirect emissions not covered in Scope 1 and 2 that occur in the value chain of the reporting company, including both upstream and downstream emissions. Scope 3 emissions could include the extraction and production of purchased materials and fuels; transport-related activities in vehicles not owned or controlled by the reporting entity; electricity-related activities, e.g., transmission and distribution losses; outsourced activities; and waste disposal

**Sustainability Accounting Standards Board (SASB):** Please refer to [sasb.org/](https://sasb.org/) for more information.

**Task Force on Climate-Related Financial Disclosures (TCFD):** Please refer to [fsb-tcfd.org/](https://fsb-tcfd.org/) for more information.

**Total Financed Carbon Emissions (tons CO<sub>2</sub>e):** Allocated emissions to all financiers/enterprise value including cash (EVIC). Measures the total carbon emissions for which an investor is attributed by their equity ownership. Emissions are apportioned based on equity ownership (percent of market capitalization).

**Transition Plan:** Refers to an aspect of an organization's overall business strategy that lays out a set of targets and actions supporting its transition toward a low-carbon economy, including actions such as reducing its GHG emissions.



# Appendix

- 96 Task Force on Climate-Related Financial Disclosures (TCFD) Disclosure Index
- 98 Sustainability Accounting Standards Board (SASB) Disclosure Index
- 101 Investor Climate Action Plan Index
- 104 California AB 1305 Index

# Task Force on Climate-Related Financial Disclosures (TCFD) Disclosure Index

Metrics not included were deemed not applicable or immaterial.

## Recommended Disclosure

## Sections

### Governance

- |   |  |
|---|--|
| A. Describe the Board’s oversight of climate-related risks and opportunities    | ▪ Committees With ESG Oversight, page 12 |
| B. Describe management’s role in assessing and managing risks and opportunities | ▪ Management’s Role, page 14             |

### Strategy

- |   |  |
|---|--|
| A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and longer term                             | ▪ Climate-Related Risks and Mitigation Strategies, page 38   |
| B. Describe the impact of the climate-related risks and opportunities on the organization’s business, strategy, and financial planning                      | <ul style="list-style-type: none"> <li>▪ Climate-Related Risks and Mitigation Strategies, page 38</li> <li>▪ Consideration in Investment Products and Strategies, page 41</li> <li>▪ Consideration in Operational Strategy, page 48</li> </ul> |
| C. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | ▪ Climate Scenario Analysis, page 46 <sup>1</sup>  |

<sup>1</sup> This section is not subject to review by independent certified public accountants.

This table provides information aligned with TCFD recommendations that we believe are consistent with the requirements under California Senate Bill 261 (Climate-Related Financial Risk Act), as amended and currently adopted, recognizing that the California Air Resources Board has not yet published implementing guidance at the time of this disclosure, and that such law is subject to potential legal challenges and ongoing litigation.

## Risk Management

A. Describe the organization's processes for identifying and assessing climate-related risks

- Our Risk Management Framework, page 53
- Implications of Increasing Global Regulation, page 54
- Analyzing Investment Risks, page 54
- Climate Stewardship, page 55

B. Describe the organization's processes for managing climate-related risks

- Our Risk Management Framework, page 53
- Implications of Increasing Global Regulation, page 54
- Analyzing Investment Risks, page 54
- Climate Stewardship, page 55
- Process for Managing Climate-Related Risks, page 55

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

- Our Risk Management Framework, page 53
- Process for Managing Climate-Related Risks, page 55

## Metrics and 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

- Our Approach, page 57
- Measuring the Climate Impacts of Our Investments, page 57<sup>2</sup>
- Measuring the Climate Impacts of Our Operations, page 64<sup>3</sup>

B. Disclose Scope 1 and 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks

- Measuring the Climate Impacts of Our Investments, page 57<sup>2</sup>
- Measuring the Climate Impacts of Our Operations, page 64<sup>3</sup>

C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

- Measuring the Climate Impacts of Our Investments, page 57<sup>2</sup>
- Measuring the Climate Impacts of Our Operations, page 64<sup>3</sup>

<sup>2</sup> This section is not subject to review by independent certified public accountants.

<sup>3</sup> Scope 3 emissions are not subject to review by independent certified public accountants.

# Sustainability Accounting Standards Board (SASB) Disclosure Index

Metrics not included were deemed not applicable or immaterial.

Disclosure Topic	Code	Metrics	Response
Transparent information and fair advice for customers	FN – AC – 270A.1 <sup>1</sup>	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	<p>As of December 31, 2024, out of 1,386 licensed employees,<sup>2</sup> 15 of our registered representatives had disclosures of investment-related investigations, client-initiated complaints, private civil litigations, or other regulatory proceedings.<sup>3</sup> This represents 1.1% of our total “covered employee” population as of year-end. Identified decision-makers are excluded.</p> <p>Registered representatives are subject to providing accurate information at the time of employment, during the Annual Compliance Certification, and on their Form U4 and Form U5, which are filed with the Central Registration Depository of the Financial Industry Regulatory Authority (FINRA). The Legal Registration Group (LRG) assists all T. Rowe Price registered representatives with the maintenance of these forms. Registered representatives are also required to complete an annual training that details disclosure requirements and timelines. Email reminders detailing the types of disclosable events and the 30-day requirement are sent to all registered representatives on a monthly basis, and responses are monitored by the LRG. On a monthly basis, the LRG reviews self-reported disclosures from the previous month to ensure disclosure on FINRA Form U4 as applicable.</p>
	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, 2024, T. Rowe Price did not sustain any monetary losses due to 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	<ul style="list-style-type: none"> <li>Responsible Marketing, page 20</li> </ul>

<sup>1</sup> This section is not subject to review by independent certified public accountants.

<sup>2</sup> “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).

<sup>3</sup> Covered employees with the identified disclosures referenced above on their Form U4 or Form U5 were included, regardless of the date of the event or whether they were employed by T. Rowe Price at the date of incident.

Disclosure Topic	Code	Metrics	Response
<b>Employee diversity and inclusion</b>	FN – AC – 330A.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management (b) non-executive management, (c) professional, and (d) all other employees	<ul style="list-style-type: none"> <li>Supporting Our Global Workforce, page 74</li> </ul>
<b>Incorporation of ESG factors in investment management and advisory</b>	FN – AC – 410 A.1 <sup>4</sup>	Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability-themed investing, and (3) screening	<ul style="list-style-type: none"> <li>Investment Products With ESG Mandates, page 25</li> </ul>
	FN – AC – 410 A.2	Description of approach to incorporation of ESG factors in investment or wealth management processes and strategies	<ul style="list-style-type: none"> <li>Responsible Investing, page 22</li> </ul>
	FN – AC – 410 A.3	Description of proxy voting and investee engagement policies and procedures	<ul style="list-style-type: none"> <li>Proxy Voting, page 27</li> </ul>
<b>Financed emissions<sup>4</sup></b>	FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2, and (3) Scope 3	<ul style="list-style-type: none"> <li>Financed Emissions, page 57</li> </ul>
	FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	<ul style="list-style-type: none"> <li>Financed Emissions, page 57</li> </ul>
	FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	<ul style="list-style-type: none"> <li>Financed Emissions, page 57</li> </ul>
	FN-AC-410b.4	Description of the methodology used to calculate financed emissions	<ul style="list-style-type: none"> <li>Financed Emissions, page 57</li> </ul>

<sup>4</sup> This section is not subject to review by independent certified public accountants.

Disclosure Topic	Code	Metrics	Response
<b>Business ethics</b>	FN – AC – 510 A.1	Total amount of 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 regulation	For the year ended December 31, 2024, T. Rowe Price did not sustain any monetary losses due to 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	<ul style="list-style-type: none"> <li>Whistleblower Policies and Procedures, page 21</li> </ul>

Disclosure Topic	Code	Response
<b>Total assets under management (AUM) as of December 31, 2024</b>	FN – AC – 000.A	USD 1,606.6 billion
<b>Total assets under custody and supervision of December 31, 2024</b>	FN – AC – 000.B	We do not believe this is an applicable metric.

# Investor Climate Action Plan Index

Topic	Section
<b>Investment</b>	
Strategy	<ul style="list-style-type: none"><li>▪ Responsible Investing, page 22</li><li>▪ Investment Products With ESG Mandates, page 25</li></ul>
Risk management	<ul style="list-style-type: none"><li>▪ Climate-Related Risks and Mitigation Strategies, page 38</li><li>▪ Consideration in Investment Products and Strategies, page 41</li><li>▪ Climate Scenario Analysis, page 46</li></ul>
Asset allocation	<ul style="list-style-type: none"><li>▪ Climate-Related Strategy, page 37</li></ul>
Additional target setting	<ul style="list-style-type: none"><li>▪ Consideration in Investment Products and Strategies, page 41</li><li>▪ Climate Scenario Analysis, page 46</li><li>▪ Measuring the Climate Impacts of Our Investments, page 57</li><li>▪ Measuring the Climate Impacts of Our Operations, page 64</li></ul>
<b>Corporate Engagement</b>	
Collective/collaborative engagement	<ul style="list-style-type: none"><li>▪ Policy and Advocacy, page 30</li></ul>
Bilateral engagement	<ul style="list-style-type: none"><li>▪ Proxy Voting, page 27</li><li>▪ Climate Stewardship, page 55</li></ul>
Corporate escalation and shareholder engagement	<ul style="list-style-type: none"><li>▪ Proxy Voting, page 27</li></ul>

## Policy Advocacy

Investor statements	▪ Policy and Advocacy, page 30
Lobbying	▪ Policy and Advocacy, page 30
Advocacy	▪ Policy and Advocacy, page 30

## Investor Disclosure

Commitments, objectives, and targets	▪ Climate-Related Strategy, page 37
Carbon emissions	▪ Our Approach, page 57 ▪ Measuring the Climate Impacts of Our Investments, page 57 ▪ Measuring the Climate Impacts of Our Operations, page 64
Portfolio assessment	▪ Climate Scenario Analysis, page 46
TCFD alignment	▪ About This Report, page 3 ▪ TCFD Disclosure Index, page 96
Assessment of disclosures	▪ About This Report, page 3

## Governance

### Policy

- Responsible Investing, page 22
- Proxy Voting, page 27

### Accountability

- Committees With ESG Oversight, page 12
- Management's Role, page 14

### Planning and evaluation

- Our Approach, page 57
- Measuring the Climate Impacts of Our Investments, page 57
- Measuring the Climate Impacts of Our Operations, page 64

### Board reporting

- Committees With ESG Oversight, page 12
- Management's Role, page 14

### Skills assessment

- Training on ESG Topics, page 17

# California AB 1305 Disclosure

Pursuant to California Assembly Bill No. 1305, the Voluntary Carbon Market Disclosures Act, (AB 1305), the following table provides required information regarding the use of voluntary carbon offsets and claims regarding the achievement of net zero emissions, carbon neutrality, or significant greenhouse gas (GHG) emissions reductions, with respect to T. Rowe Price.<sup>1</sup>

Disclosure Category	Location
Goal to achieve a 75% reduction in Scope 1 and 2 GHG emissions by 2030 compared with 2021 base year	Measuring the Climate Impacts of Our Operations, page 64
Goal to achieve net zero Scope 1 and 2 GHG emissions by 2040	Measuring the Climate Impacts of Our Operations, page 64
Verification by independent third party	An independent third party performs a limited assurance engagement review over T. Rowe Price Group's Scope 1 and Scope 2 GHG emissions data and the related disclosures. This review does not cover the effectiveness of carbon offsets or claims made by organizations that T. Rowe Price Group has engaged. The most recent assurance report can be found on pages 106–110.
Purchase of voluntary carbon offsets	<p><b>Purpose:</b> Address full 2023 emissions from fleet vehicle fuel use</p> <p><b>Seller name:</b> Wakefield Biochar; offset procurement is facilitated by Watershed Technology, Inc.</p> <p><b>Registry:</b> Puro.Earth</p> <p><b>Project name:</b> Wakefield Biochar</p> <p><b>Project ID:</b> Wakefield Biochar Facility 1: 6430024068 01000725 or Wakefield Biochar Facility 2: 6430024068 01000718</p> <p><b>Project type:</b> Carbon removal; &lt; 1,000 years durability</p> <p><b>Project location:</b> Georgia, USA</p> <p><b>Protocol/methodology:</b> Puro.Earth Biochar Methodology</p> <p><b>Verification:</b> Energy Link Services</p> <p><b>Carbon offset volume purchased:</b> 35</p>

<sup>1</sup> The information included in this disclosure is representative of all T. Rowe Price investment advisory entities except Oak Hill Advisors, L.P. (OHA), an alternative credit manager that T. Rowe Price Group, Inc., acquired on December 29, 2021. Information on OHA's climate-related initiatives can be found on its [website](#).

Disclosure Category	Location
Additional information	<p><i>Climate Vault does not participate in the Voluntary Carbon Market. Instead, it participates in government-regulated compliance markets and is exempt under California AB 1305. We have included this information to acknowledge T. Rowe Price's relationship with Climate Vault and its efforts to address emissions from business travel.</i></p> <p><b>Purpose:</b> Address full 2023 and partial 2024 emissions from business travel</p> <p><b>Seller name:</b> California's Cap-and-Trade Program, administered by the California Air Resources Board (CARB) or Regional Greenhouse Gas Initiative (RGGI), administered by RGGI, Inc.; emission allowance procurement is facilitated by Climate Vault</p> <p><b>Carbon allowance volume purchased:</b> 20,004</p>

# Report of Independent Certified Public Accountants

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Nominating and Corporate Governance Committee of the Board of Directors  
T. Rowe Price Group, Inc.

We have reviewed the accompanying Task Force on Climate-Related Financial Disclosures (“TCFD”), Sustainability Accounting Standards Board (“SASB”) disclosures, Scope 1 greenhouse gas (“GHG”) emissions, Scope 2 location-based and market-based GHG emissions, and Operational Waste information of T. Rowe Price Group, Inc. as specified in Note 1 below as of and for the year ended December 31, 2024 (collectively, the “Subject Matter”). T. Rowe Price Group, Inc.’s management is responsible for preparing and presenting the Subject Matter based on the criteria set forth in Note 1 below (collectively, the “Criteria”). Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be presented in accordance with the Criteria. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is presented in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment and consisted primarily of:

- Inquiries of management,
- Inspection of selected internal and external documents or inspection of evidence of T. Rowe Price Group, Inc.’s personnel reviewing internal or external documents,

- Observation of T. Rowe Price Group, Inc.'s personnel obtaining relevant information from internal or external sources,
- Performing analytical procedures.

In addition, we obtained an understanding of T. Rowe Price Group, Inc.'s business processes relevant to the review in order to design appropriate procedures.

The preparation of the Subject Matter, including T. Rowe Price Group, Inc.'s incorporation of ESG factors into its investment processes and strategies and T. Rowe Price Group, Inc.'s future goals, targets, and commitments, requires management to determine materiality for sustainability-related issues, identify sustainability-related issues affecting T. Rowe Price Group, Inc.'s current operations and financial position or that may affect its future operations or financial position, establish the criteria for measurement of metrics, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Different entities may make different but acceptable interpretations, determinations, and estimates. The sustainability-related financial disclosures include information regarding the potential future financial impact on the T. Rowe Price Group, Inc.'s operations, including revenues, expenditures, assets and liabilities, and capital and financing. Actual results in the future may differ materially from management's present assessment of this information because possible future events and circumstances, if they should occur, may not occur in the manner described or in the specified timeframe. Specific to incorporation of ESG factors into the T. Rowe Price Group, Inc.'s investment processes and strategies, the actual achievement of the related sustainability objectives may differ materially from the intended objective or may not occur in the manner described or in the specified timeframe. Further, disclosures related to future goals, targets and commitments include discussion of T. Rowe Price Group, Inc.'s current strategy, policies, processes, and future performance objectives for a variety of sustainability topics.

Our report relates to the specific TCFD information, SASB disclosures, greenhouse gas emissions information, and waste metrics identified in Note 1 below. We were not engaged to, and did not, review any other data, disclosures, or elements of the T. Rowe Price 2024 Sustainability Report. Accordingly, we do not express a conclusion or any other form of assurance on any amounts or disclosures included within the T. Rowe Price 2024 Sustainability report other than those specified in Note 1 below.

Based on our review, we are not aware of any material modifications that should be made to the Subject Matter of T. Rowe Price Group, Inc. as of and for the year ended December 31, 2024, in order for it to be presented based on the criteria set forth in Note 1.

*Grant Thornton LLP*

Arlington, Virginia  
May 15, 2025

**Note 1**

Metrics included in the Subject Matter and the Criteria presented based on the following:

<b>Subject Matter</b>		<b>Criteria</b>
Committees with ESG Oversight disclosures	Page 12	Global Reporting Initiative (“GRI”) 1: Foundation 2021, Section 4: Reporting Principles
Management’s Role disclosures	Page 14	
Accountability Chart	Page 15	
Climate-Related Risks and Mitigation Strategies disclosures	Pages 38- 40	
Consideration in Investment Products and Strategies disclosures	Pages 41 – 43	
Investment Solutions for Clients with Climate-related Goals disclosures	Pages 43 - 45	
Identifying Opportunities for New Product Offerings disclosures	Pages 45 - 46	
Consideration in Operational Strategy disclosures	Pages 48 - 52	
Our Risk Management Framework disclosures	Page 53	
Implications of Increasing Global Regulation disclosures	Page 54	
Analyzing Investment Risks disclosures	Page 54	
Climate Stewardship disclosures	Page 55	
Process for Managing Climate-Related Risks disclosures	Pages 55-56	
Our Approach disclosures	Page 57	
Measuring the Climate Impacts of Our Operations disclosures	Page 64	
Scope 1 and 2 Emissions Target disclosures	Pages 68 - 69	
Reducing Operational Waste disclosures (exclusive of Operational Waste table)	Page 70	
Working with our Supply Chain disclosures	Page 71	
Business Travel and Commuting disclosures	Page 71	
Operational Waste table and disclosures	Page 70	Developed by management – the metrics measure waste expressed as an absolute measurement of the identified activity to the stated benchmark
2024 Total Scope 1 Emissions:	1,845 MT CO <sub>2</sub> e	World Resources Institute and World Business Council for Sustainability Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and the GHG Protocol Scope 2 Guidance
2024 Total Scope 2 Emissions (Location-Based):	17,059 MT CO <sub>2</sub> e	
2024 Total Scope 2 Emissions (Market-Based):	17,219 MT CO <sub>2</sub> e	
Purchased Electricity Location-Based	16,700 MT CO <sub>2</sub> e	
Purchased Electricity Market-Based	16,860 MT CO <sub>2</sub> e	
District Heat	359 MT CO <sub>2</sub> e	
Inventory Boundary and Methodology disclosures regarding Scope 1 and Scope 2 Emissions (including table)	Pages 64 – 67	
SASB disclosure code FN-AC-270A.1	Page 98	

<b>Subject Matter</b>		<b>Criteria</b>
SASB disclosure code FN-AC-270A.2	Page 98	IFRS SASB Standards “Asset Management & Custody Activities Sustainability Accounting Standard” Version 2023-12
SASB disclosure Code FN-AC-270A.3 (inclusive of all Responsible Marketing disclosures)	Pages 20 – 21	
SASB disclosure Code FN-AC-330A.1 (inclusive of all Supporting Diversity in our Workforce disclosures and Total U.S. Workforce table)	Page 74	
FN-AC-410A.2 (inclusive of all Responsible Investing disclosures, RIIM Frameworks Across Asset Classes disclosures, Asset Class Considerations tables and disclosures)	Pages 22 - 24	
FN-AC-410A.3 (inclusive of all Proxy Voting disclosures and tables)	Pages 27 - 29	
FN-AC-510A.1 disclosure	Page 100	
FN-AC-510A.2 (inclusive of all Whistleblower Policies and Procedures disclosures)	Page 21	
FN-AC-000.A disclosure	Page 100	
FN-AC-000.B disclosure	Page 100	



## IMPORTANT INFORMATION

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