T.RowePrice®

Sustainable Investing

ESG

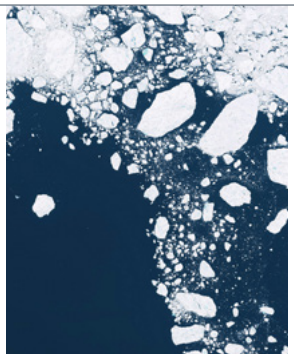
2020 ANNUAL REPORT

INVEST WITH CONFIDENCE®

Environment, Social, and Governance (ESG) Annual Report. Issued May 2021.

> Embedding ESG and sustainability principles throughout our investment process, as well as our business more broadly, is central to achieving T. Rowe Price's core aim of being admirable stewards of client and stockholder capital. Indeed, the desire to act responsibly and bring about change should drive every organization, just as it does ours.
>
> **Bill Stromberg**,
> CEO, T. Rowe Price

OUR ESG JOURNEY



2021

Impact Strategy
T. Rowe Price launches its first impact strategy

United Nations Global Compact
T. Rowe Price becomes a signatory

2020

RIIM Municipal Bonds
RIIM Securitized Bonds
Rollout of proprietary ESG rating system for municipal bonds and securitized bonds

Socially Responsible Strategies
The firm launches its first socially responsible strategies in Europe

ESG Reporting
Implemented portfolio level ESG reporting

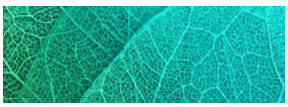
TCFD Sponsor
Commenced sponsorship of the Task Force on Climate-related Financial Disclosures

2019

RIIM Sovereigns
The firm rolls out proprietary ESG rating system for sovereigns

2018

RIIM Corporates
Proprietary ESG rating system for equity and credit rolled out

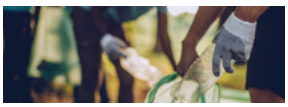


2017

Responsible Investing
Established in-house responsible investing research capabilities (environmental and social)

2014

Sustainalytics
Sustainalytics ESG ratings are embedded in company note templates



2013

"E" and "S" Research
Sustainalytics appointed as specialized ESG data and research provider

2012

CSR Report
First Corporate Social Responsibility Report issued

2010

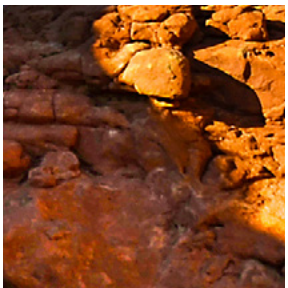
PRI[1]
T. Rowe Price becomes signatory to the Principles for Responsible Investment

2008

Corporate Responsibility
Investment policy on corporate responsibility established

2007

Governance
Established in-house governance research capabilities



RIIM = Responsible Investing Indicator Model

[1] Principles for Responsible Investment. The PRI is an independent investor initiative supported by, but not part of, the United Nations.

Foreword

The year 2020 was another dynamic one on the environmental, social, and governance (ESG) front for T. Rowe Price. Continued expansion of our ESG investment capabilities and a focus on improving ESG data integrity were principal objectives.

ROB SHARPS
Head of Investments and Group Chief Investment Officer

We expanded the teams dedicated to ESG analysis and the technology team that supports them. These investments support the entire research platform, allowing our portfolio managers and analysts to more easily integrate ESG factors to enhance investment decisions. They also facilitated the launch of new products that carry ESG objectives—in January 2020, we launched our socially responsible product range for European clients, which excludes certain types of investments, and we launched our first impact strategy in March 2021.

The rapid rise in the adoption of ESG—to try to enhance performance, pursue sustainable objectives, or both—has added to confusion in the industry on a number of fronts. It has contributed to greenwashing, or misleading communications, by some corporates in their ESG disclosures and by some asset managers in their product offerings. To help address this, T. Rowe Price is an active participant in efforts with regulators around the world to help develop useful ESG disclosure guidance for the industry. We are also committed to providing clarity on our own strategies' investment objectives and their ESG characteristics.

In 2020, regulators stepped in to help fill the ESG disclosure void in the industry. We welcome more comprehensive and clearer ESG regulation; however, we are concerned about a lack of global alignment. If each country takes a unique approach to ESG regulation, ESG disclosure requirements for asset managers can become misaligned with those required of the underlying securities in their portfolios. Uneven disclosure levels can ultimately distort the picture of a portfolio's ESG characteristics for clients.

As the industry has moved faster than disclosure regulations, companies have struggled with what and how to disclose. Our message to investee companies is clear:

- Report annually on ESG factors that have the most material impacts on the health of the business; ideally report alongside financial data, explaining the impacts.
- For reporting standards, use the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD).
- Report data on diversity of the employee population and greenhouse gas emissions (including material scope 3 emissions).

Inadequate ESG disclosure does not automatically disqualify a company from our investment universe, but it makes it difficult to assess how they are positioned to handle environmental and social pressures—which are more financially material as the world grapples with the challenges of climate change and inequality.

We remain committed to working with our investee companies to improve the quality and quantity of ESG data for our research and analysis, helping to pursue better long-term investment decision-making for our clients.

2020 IN REVIEW

Responsible Investing

Last year, I wrote my annual report letter working from home, practicing social distancing—a year later, I am sitting in the same place, but the global ESG landscape feels radically different. The coronavirus pandemic has been a high-impact event that has compelled world leaders and society in general to understand how intertwined economic outcomes are with the prosperity of the planet and the people on it. In many areas, the pandemic has served to accelerate existing environmental and social trends. It has moved consumers online at a rapid pace, forced companies to reexamine their supply chains, prompted government stimulus programs in green infrastructure, and exposed the depth of social inequality in the world today.

MARIA ELENA DREW
Director of Research, Responsible Investing

ESG investing has had a remarkable rise over the past decade. Its critics have often placed it at odds with financial objectives, so it is interesting that the onset of one of the most economically disruptive events in recent history has acted as a new catalyst for considering environmental, social and governance factors in the investment process.

While ESG investing has been around for a long time, the datasets that underpin it remain relatively nascent. We have seen a dramatic improvement in ESG disclosure levels from corporations (albeit from low levels), but the investment industry is introducing new analytical tools and product offerings at a quick pace. Disclosure standards need to keep up. A deficit of good ESG data has meant that our engagement program has featured a substantial focus on pushing companies to improve their disclosure. Thankfully, the tone of these engagements changed in 2020; we discuss this further on page 34 of this report.

The confusion corporations have around ESG disclosure is slowing the pace of improvements in this area. It also hampers the ability to advance onto next-generation analytical tools such as those that measure the implied temperature rise of portfolios (due to the activities of underlying holdings) or climate scenario analysis.

In 2020, we made further progress on improving our ESG research platform. We created frameworks within our proprietary Responsible Investing Indicator Model (RIIM) that cover municipal and securitized bond issuers. These complement our existing RIIM frameworks for corporate and sovereign issuers. Additionally, we developed an impact investment framework, which supports our first impact strategy launched in March 2021, and created a framework for analyzing green, social, and sustainability-linked bonds. Lastly, we continued to bolster the number of investment professionals and technology resources dedicated to ESG.

As we progress into 2021, we believe these enhancements can help our investment professionals address the ESG risks and opportunities in their portfolios that the pandemic has propelled into the spotlight more than ever before.

> “The pandemic has compelled world leaders and society in general to understand how intertwined economic outcomes are with the prosperity of the planet.

Governance

One year ago, as we were composing our 2019 ESG Annual Report, we were in the midst of global market upheaval caused by the coronavirus pandemic. At that time, we predicted:

> *Companies' previous statements about their management of human capital, health and safety, community involvement, and the overall importance of stakeholders to their businesses will be assessed in a whole new context by investors and other stakeholders, and we predict these topics will quickly become central to the engagement that takes place between investors and corporations.*

Looking back now, it is precisely these themes that emerged as some of the most significant in our portfolios, albeit with one very important addition: diversity, equity, and inclusion (DEI).

Our long-standing focus on DEI was amplified following the global wave of protests and activism against systemic racial inequality. For many companies in our portfolios, it was a moment when diversity and inclusion suddenly rose to the top of managements' priority lists due to a strong mandate from their employees to accelerate the pace of progress. Other companies already had strong DEI programs in place, but felt it was important to focus externally at that moment and address economic inequality in their communities. We observed a continuum of corporate responses to the social outcry, and a deeper discussion of these is included in this report on page 28.

Resilience was the core concept underlying most of our engagement discussions in 2020. The global pandemic affected all companies, but in very different ways. For some, it had a devastating effect on their revenues for that fiscal year and beyond. Others discovered their business models were highly adaptable to the challenges before them. A select few even found that their businesses benefited from the sudden upheaval, such as companies that facilitate remote working, learning, or shopping. Most companies, however, found themselves somewhere in between—struggling during the transition in the second quarter of last year, but showing remarkable recoveries as the second half of 2020 wore on.

As investment professionals, we found ourselves consistently impressed by the flexibility and resourcefulness displayed by many companies over the past year, their concern for the welfare of their employees, and their resolve to balance the interests of multiple stakeholders—executives, employees, investors, customers, and communities— during both the crisis and recovery periods. This intense, and insight-rich, period of engagement was our team's top priority in 2020.

DONNA ANDERSON
Head of Corporate Governance

> Our long-standing focus on DEI was amplified following the global wave of protests and activism against systemic racial inequality.

OUR ESG INVESTING APPROACH

ESG Integration

Environmental, social, and governance (ESG) analysis is one of many building blocks that make up our global investment research platform. We have invested in people and technology to develop a comprehensive, systematic, and proactive process for evaluating and integrating ESG factors across a range of asset classes. Our ESG integration philosophy is based on the following principles:

INTEGRATION

We have embedded environmental, social, and governance analysis into the investment process, meaning the responsibility for integrating ESG factors into investment decisions lies with our analysts and portfolio managers.

COLLABORATION

To support our investment professionals' capacity to incorporate ESG factors into their decision-making, we have ESG and public policy research specialists within our investment teams. These specialists create and maintain proprietary ESG tools as well as provide security-specific and thematic research. Our ESG specialists also work closely with our analysts and portfolio managers to delve into situations where ESG issues are particularly significant.

MATERIALITY

We focus on the ESG factors we consider most likely to have a material impact on the performance of the investments in our clients' portfolios.

ESG Specialist Teams

We have a team of 17 investment professionals[1] dedicated to environmental, social, and governance research who support our analysts and portfolio managers. These ESG specialists are spread across three teams—governance, regulatory research, and responsible investing (RI). Together, they help our analysts and portfolio managers identify, analyze, and integrate the ESG factors most likely to have a material impact on an investment's performance.

Our ESG specialist teams are further supported by an operations team focused on proxy voting execution and a technology team focused on ESG data integration.

A Proprietary Model for ESG Analysis

Environmental, social, and governance factors are not as straightforward to integrate into the investment process as financial data, given their often qualitative nature. Environmental and social data present an additional challenge due to the under-developed nature of the dataset.

In order to address these issues, we have developed our own proprietary framework to help our portfolio managers and analysts more easily integrate ESG factors into their investment process. The framework has been built so that it can easily evolve to incorporate improvements in ESG datasets.

[1] As of April 30, 2021

Our framework is called the Responsible Investing Indicator Model (RIIM). It offers two key advantages in that it:

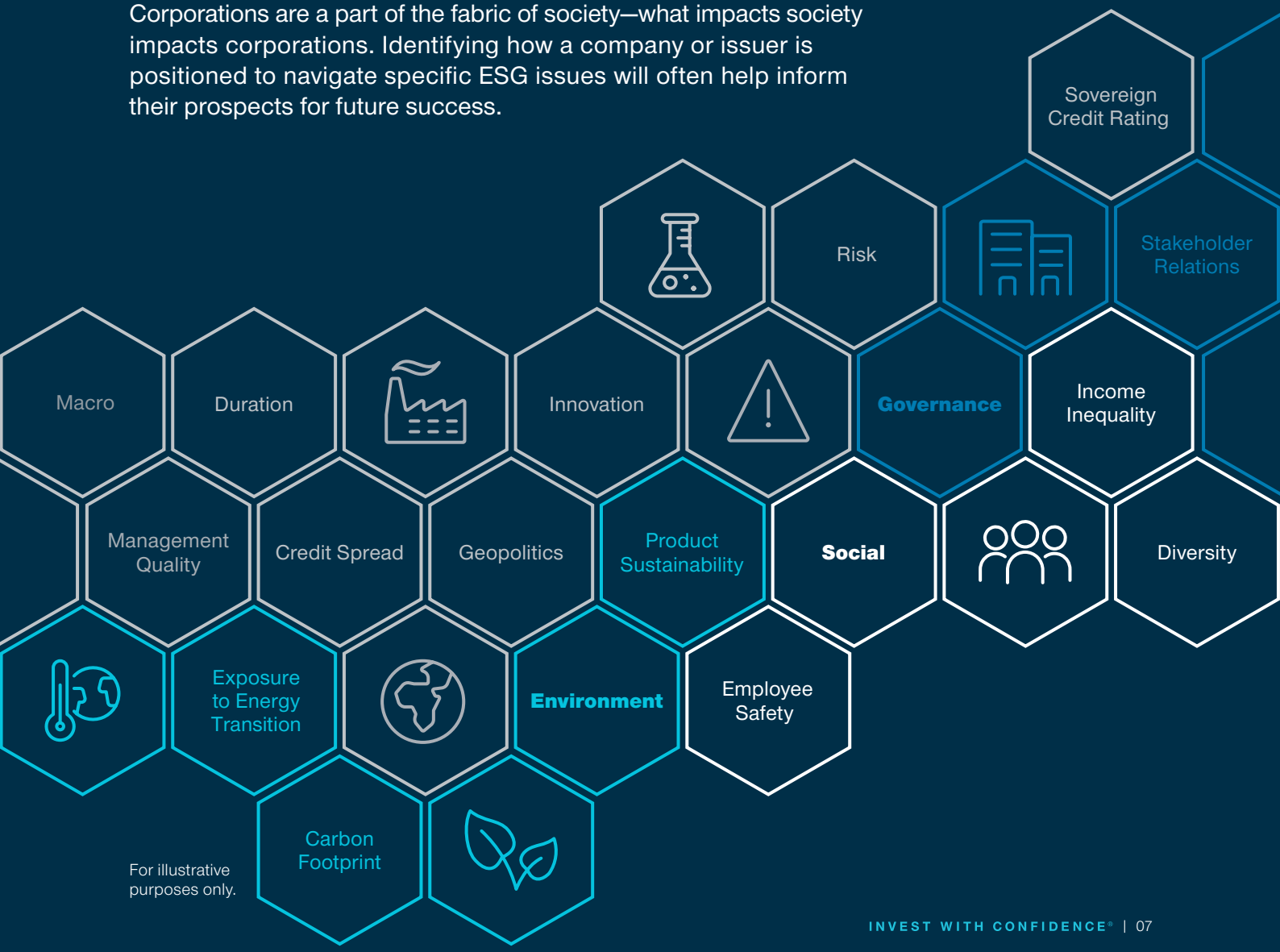
1. Proactively searches large universes of ESG data and presents an easy-to-digest profile of a specific security, portfolio, or benchmark; and
2. Gives us a systematic framework for measuring and comparing the ESG characteristics of individual securities as well as portfolios.

We have developed RIIM frameworks across asset classes covering equities and corporate bonds, sovereign bonds, municipal bonds, and securitized bonds.

The RIIM frameworks are unique for each asset class as the level and type of data available vary across asset classes.

ESG Factors—Part of the Investment Mosaic

Corporations are a part of the fabric of society—what impacts society impacts corporations. Identifying how a company or issuer is positioned to navigate specific ESG issues will often help inform their prospects for future success.



For illustrative purposes only.

RIIM Analysis Across Asset Classes

For equities, corporate bonds and sovereign bonds, we leverage ESG datasets and feed those directly into our RIIM framework. This allows us to generate a quantitative RIIM profile for approximately 15,000 companies and approximately 200 sovereign issuers.[1]

This quantitative set of scores is an important starting point in our ESG evaluation process as it helps us quickly identify any outliers, both positive and negative. It creates a baseline of understanding of our investment universe from which we delve deeper using fundamental analysis on a narrower universe of securities. The output of our quantitative analysis is also instrumental in informing our engagement program.

The ESG data universe for municipal and securitized issuers is developing, but datasets are not yet identified that reliably integrate directly into our investment process. Instead, we use third-party ESG research alongside our own fundamental research to develop a RIIM profile for each issuer.

	1 IDENTIFICATION	2 ANALYSIS	3 INTEGRATION
Equities and Corporate Bonds	RIIM creates a Responsible Investing (RI) profile for approximately 15,000 companies using third-party ESG datasets, company reported data and datasets created internally.	Securities flagged in our RIIM and governance analysis are subject to further review, including engagement and, for equities, proxy voting recommendations.	**Analysts and portfolio managers incorporate ESG factors (as appropriate to their strategy) into:** ▪ Investment theses ▪ Company ratings ▪ Price targets ▪ Credit ratings ▪ Engagements ▪ Position sizing ▪ Proxy voting decisions
Sovereign Bonds	RIIM creates an ESG profile for approximately 200 sovereign issuers, leveraging datasets created by non-governmental organizations (NGOs) and third-parties as well as datasets created internally.		
Municipal Bonds	Our municipal bond analysts create an ESG rating for issuers by evaluating specific criteria for individual issuers. To establish RIIM ratings, the analysts conduct research in-house. Environmental and social analysis leverages geospatial research tools.		
Securitized Bonds	Our securitized bond analysts create an ESG rating for issuers by evaluating specific criteria for individual issuers. To establish RIIM ratings, the analysts conduct research in-house leveraging external data sources, as well as their own direct research. Where there is overlap on issuers, the analysts can leverage RIIM scores from other asset classes.		

[1] As of April 30, 2021

Amazon—Illustrative Timeline of ESG Integration

FEBRUARY 2020

Responsible Investing team analysis

Our research provides a quantitative analysis of the firm across environmental, social, and ethical categories. It helps identify distinct areas, including any elevated risks, for further research and company engagement.

MAY 2020

Engagement focused on employee treatment and safety

As with many of our engagements over the year, the coronavirus pandemic amplified the focus on employee treatment and safety issues. The engagement was conducted by an equity analyst and attended by portfolio managers.

SEPTEMBER 2020

Engagement on environment and employee treatment and safety

Amazon announced a very ambitious net zero carbon emissions target for 2040 (10 years ahead of the Paris Agreement guidance). However, limited environmental disclosure made it difficult to credit the firm for its targets or to monitor the management of its environmental impact. We requested more data on:

- Breakdown of greenhouse gas emissions by business
- Path to net zero 2040
- Environmental product sustainability (i.e. efficiency of their platform versus traditional retail)

On social issues, we asked Amazon to explain how it assesses its performance relating to employee treatment. It pointed to several measures:

- Employee satisfaction surveys
- Third party hotlines where employees can report issues
- 'Voice of the associate' boards for employees to post questions anonymously to management

WHAT'S NEXT

Ongoing research, engagement, and analysis

We view regulatory risks around anti-trust, employee treatment and use of gig-economy workers as key issues. We continue to monitor the company's performance on employee treatment and safety and plan further engagement on the topic. Our insights inform our Responsible Investing Indicator Model and the ongoing analysis and decision making of our investment teams.

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Aligning to Global ESG Frameworks

United Nations Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are a blueprint for a more sustainable world. Signatory countries are expected to establish a national framework for achieving each of the 17 SDGs.

While the SDGs are a tool to allow countries to implement sustainability regulations, they are also commonly adopted as a framework for identifying ESG-related pressure points that can impact corporate and other securities. Indeed, the goals are represented across the range of factors that we analyze within RIIM.

Companies are likely to face greater scrutiny in relation to the sustainability objectives of the SDGs over time. This could include greater regulatory burdens, taxation, litigation, and/or consumer dissatisfaction. Conversely, companies that provide solutions are likely to have much more sustainable business models. It makes sense therefore that our RIIM analysis is aligned with the SDGs.

Source: United Nations

United Nations Global Compact

T. Rowe Price is a signatory to the United Nations Global Compact (UNGC). Established in 1999, the UNGC has 10 principles built around human rights, labor standards, the environment, and anticorruption. In addition to capturing whether companies are signatories to the UNGC, RIIM measures UNGC values at multiple levels:

- **Human Rights and Labor Standards:** Management of human capital is assessed through supply chain analysis for human rights violations, as well as an evaluation of employee treatment that looks at labor-related incidents, accident rates, and other factors.
- **Environment:** This is assessed via energy use and emissions, water and waste outputs and targets, sustainable sourcing of raw materials, and end-product sustainability and impact on the environment.
- **Anticorruption:** Programs in place and company track records are evaluated within the model's ethics analysis.

Sustainability Accounting Standards Board (SASB)

T. Rowe Price is a member of the SASB Alliance. We advocate for our investee companies to utilize the reporting framework.

Task Force on Climate-related Financial Disclosures (TCFD)

T. Rowe Price is a supporter of the TCFD. We advocate for our investee companies to utilize the reporting framework.

Principles for Responsible Investment

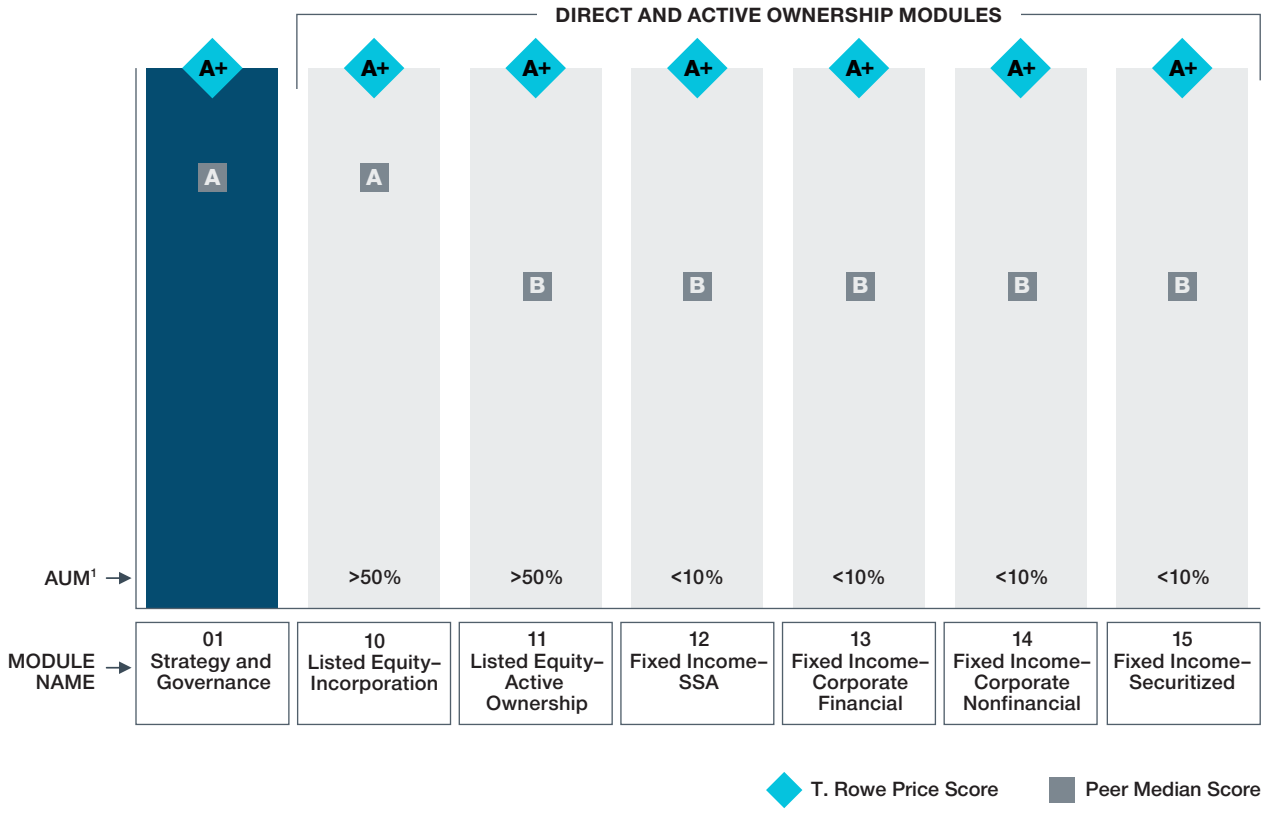
T. Rowe Price has been a signatory of the Principles of Responsible Investment (PRI) since 2010, and we report to the PRI annually. We support the PRI framework as an effective means of encouraging better dialogue among investors and better disclosure from companies globally about these important issues.

Under the PRI's transparency requirements, all signatories complete an annual self-assessment.

The PRI Scorecard below provides an overview of our aggregate score for each module assessed and the median score. These bands range from A+ (top band) to E (lowest band). The PRI Assessment scoring methodology is available at unpri.org.

T. Rowe Price PRI Scorecard 2020

As of July 2020



For illustrative purposes only.

Under the PRI's transparency requirements, all signatories complete an annual self-assessment. The PRI Summary Scorecard provides an overview of our aggregate score for each module assessed and the median score. These bands range from A+ (top band) to E (lowest band). The PRI Assessment scoring methodology is available at unpri.org.

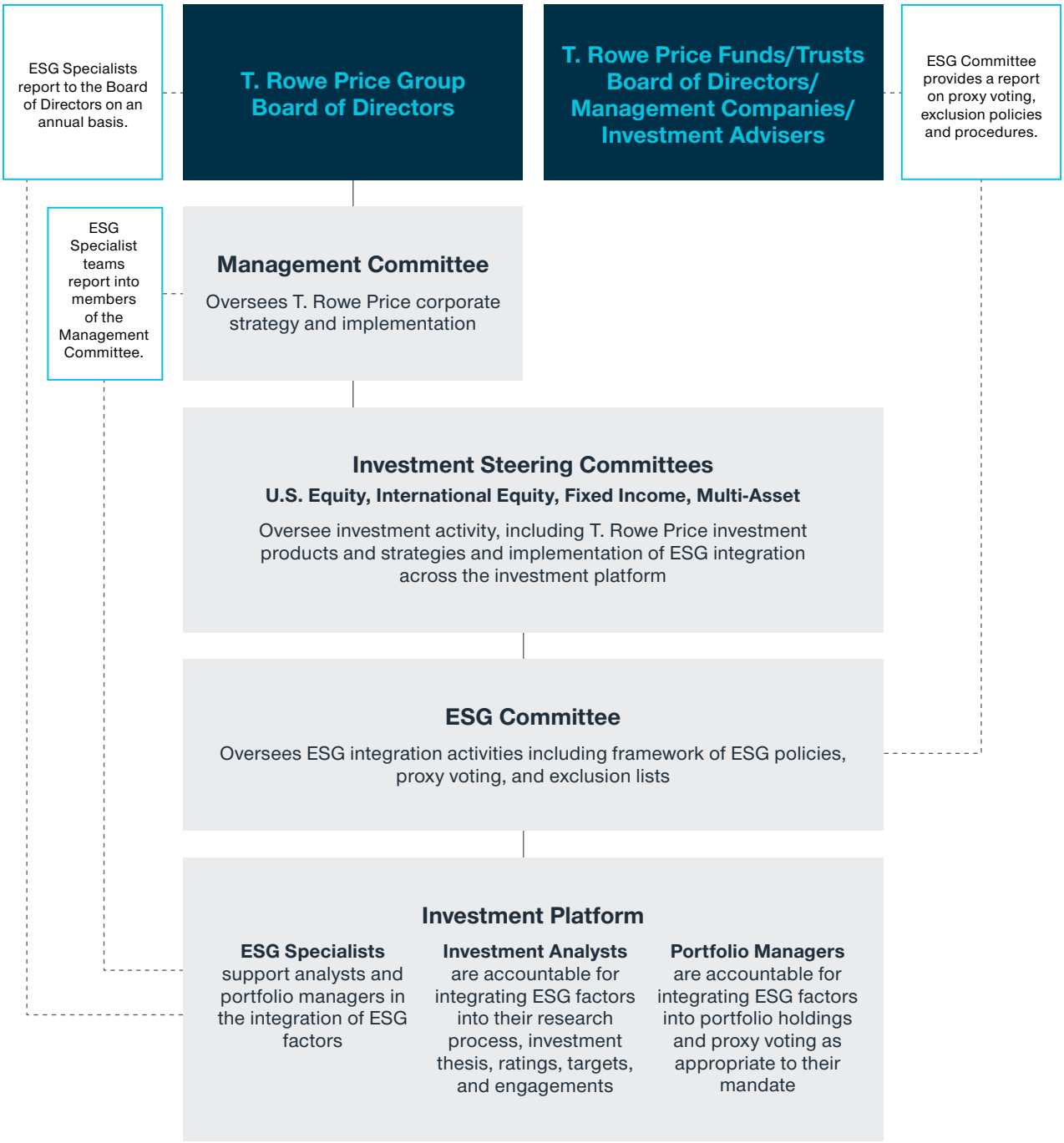
SSA-Sovereign, Supranational and Agency

Source: PRI Assessment Report 2020, showing the applicable T. Rowe Price scores.

[1] Asset classes were aggregated to 4 ranges: 0%; <10%; 10%–50%, and >50%.

ESG Accountability

Accountability for ESG Starts at the Top



> Last year, our Board took steps to heighten our focus on the company's environmental, social, and governance matters. As such issues have become increasingly important to T. Rowe Price's business, we determined the time was right to formalize Board oversight of ESG. In 2020, we amended the Nominating and Corporate Governance Committee's charter to include oversight of these issues and their impact on our employees, stockholders, citizens, and communities.

Olympia Snowe
Chair, Nominating and Corporate Governance Committee

T. ROWE PRICE GROUP BOARD OF DIRECTORS

BACK ROW

Robert F. MacLellan
Non-Executive Chair, Northleaf Capital Partners

Dr. Freeman A. Hrabowski III
President, University of Maryland, Baltimore County

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

Robert J. Stevens
Retired Chairman, President, and Chief Executive Officer, Lockheed Martin Corporation

Mary K. Bush
Chairman, Bush International, LLC

Alan D. Wilson
Retired Executive Chairman, McCormick & Company, Inc.

FRONT ROW

William J. Stromberg
Chair and Chief Executive Officer, T. Rowe Price Group, Inc.

Olympia J. Snowe
Chair and Chief Executive Officer, Olympia Snowe, LLC

Mark S. Bartlett
Retired Managing Partner, Ernst & Young

Sandra S. Wijnberg
Former Partner and Chief Administrative Officer, Aquiline Holdings LLC

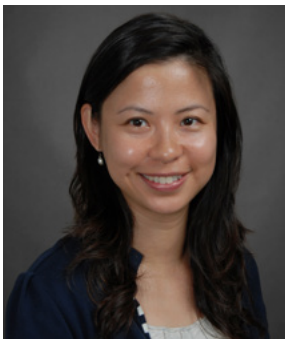
Richard R. Verma
Executive Vice President, Global Public Policy and Regulatory Affairs, Mastercard Inc.

ESG INTEGRATION IN ACTION—RESEARCH EXAMPLES

Samsung Electronics

Clear progress across a range of environmental, social, and ethics issues.

Technology sector equity analyst Alison Yip explains how Samsung's commitment to best practices across the ESG spectrum was a feature in her investment analysis.



ALISON YIP
Technology Sector Equity Analyst

Company Profile

Samsung is one of the market leaders in the production of key components along the technology food chain, including memory, LCD panels, and logical semiconductors. The company is also a world leading seller of flat-screen TVs and the second-largest mobile handset company.

Investment Analysis

- As of December 2020, Samsung held more than a 50% share of the world's memory supply and has been strongly positioned within the industry due to cost leadership and technological innovation.
- The potential for increasing penetration of 5G phones and extensive data center buildout may drive further secular growth for memory demand.
- The company has made clear progress on a range of environmental, social, and ethics issues, showing a commitment to achieving standards in line with global best practices.

> "The company has made clear progress on a range of environmental, social, and ethics issues.

ESG in Depth

- Samsung has demonstrated notable improvement across a host of ESG areas, including disclosures, climate action, supply chain management, and compliance/ethical oversight.
- In relation to ESG disclosure, the firm has aligned its reporting and climate action plan with the Task Force on Climate-related Financial Disclosures and the Sustainability Accounting Standards Board recommendations.
- The recent conviction of Samsung's vice chairman on bribery charges is a concern, but there have been notable improvements to oversight arrangements in 2020. A new independent compliance and ethics committee has been established, meeting regularly to review all potential compliance issues and decisions at Samsung. Also, the first independent Board chair was appointed, and the remit of the chief compliance officer has been extended.

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State of California

Climate strategy and social dynamics key features in analysis.

Municipal bond analyst Davis Collins explains how ESG-related factors were prominent in his overall evaluation of issuer risk.

DAVIS COLLINS
U.S. Municipal Bond Analyst

Issuer Profile

California is the most populous state in the U.S. with a large and diverse economy. Major sectors include high-end technology, entertainment, manufacturing, tourism, construction, and services. In the years since the 2008 global financial crisis, California has benefited from prudent budgeting and strong economic growth.

Investment Analysis

- In the fall of 2020, the state's 10-year bond issue appeared to be undervalued versus historical levels and also relative to peer bond issues.
- While the impact of the coronavirus pandemic had been severe in California, we believed the state's fiscal position was supported by strong credit fundamentals and liquidity.
- On the ESG front, California has been actively managing its elevated climate risks, and the state's social dynamics have been attractive.

> On the ESG front, California has been actively managing its elevated climate risks, and the state's social dynamics have been attractive.

ESG in Depth

- Environmentally, California is vulnerable to the impact of climate change, but its property value at risk is low. The state has had a climate adaptation strategy in place for over a decade, focusing on seven key areas: public health, biodiversity and habitat, oceans and coastal resources, water, agriculture, forestry, and transportation and energy.
- On the social front, a lack of housing affordability in the state is problematic. However, a high concentration of employment in technology means flexible working is increasing, allowing employees to move to more affordable areas.
- California has been hit hard by the coronavirus pandemic, with 44% of the population employed in immediately impacted industries. While this negatively impacts tax receipts, this is partly offset by the fact that these workers make up a disproportionately low portion of income tax receipts as California's revenues are more reliant on capital gains and personal income taxes of high earners.

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FirstRand

Significant improvement in ESG disclosure underpins our analysis.

Financials sector equity analyst Iona Dent puts the spotlight on improved climate-related disclosure in her analysis.

IONA DENT
Financials Sector Equity Analyst

Company Profile

FirstRand is the second-largest bank in South Africa by assets, providing a comprehensive range of retail, commercial, corporate, and investment banking services. FirstRand is a leading bank among local peers and one of the highest-quality banks in emerging markets.

Investment Analysis

- FirstRand's three main domestic brands have been strongly positioned relative to peers.
- FirstRand has built a diverse business mix and a leading private equity franchise.
- Significant improvements have been made in the firm's level of ESG disclosure over the past year, particularly in relation to climate change. The encouraging progress has been reflected in our proprietary RIIM model.

ESG in Depth

- During the 12-month period to December 2020, FirstRand greatly improved its reporting on climate-related risk. Having been the worst of the "Big 4" South African banks on climate-related disclosure, FirstRand now ranks as second best and above average versus the broader emerging markets banking peer group.
- Outside of its climate strategy, FirstRand continued to generally score well in both the social and ethical criteria in RIIM. Gender and minority group representation among the bank's employees were strong relative to sector peers.
- We voted with the majority of shareholders (59%) against a pay-related proposal tabled by FirstRand at its 2020 annual general meeting—specifically due to problematic retention awards designed to compensate executives for long-term incentive plan awards that lapsed due to the impact of the pandemic. We have since engaged with company management to understand how they plan to respond to shareholder concerns.

> "Significant improvements have been made in the firm's level of ESG disclosure.

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Analysts and portfolio managers incorporate ESG factors into investment theses, alongside financial, economic, and industry-related insights. ESG factors may be integrated into company ratings, price targets, engagements, position sizing, credit ratings, and proxy voting decisions.

ESG INTEGRATION IN ACTION—PORTFOLIO MANAGEMENT

Global Equities

Sustainability drives success in a post-coronavirus world

Crisis causes change. We know this as human beings and as experienced global investors. The 2008 global financial crisis (GFC) led to a reckoning in how businesses were run, especially in financial services. The GFC ultimately redefined fiduciary responsibilities, shifting emphasis toward clients and shareholders. Fueled by government bailouts, new regulations, and shareholder activism, the crisis led to more transparency and fundamentally changed the financial world—in most ways for the better.

The coronavirus pandemic has pulled forward many disruptive trends to a staggering degree. Social distancing and the shuttering of brick-and-mortar businesses accelerated e-commerce and communication adoption by years. Businesses leaned on technology to help employees work-from-home—something that for many may become a more permanent way of life even after the pandemic wanes.

However, even as governments around the world have applied unprecedented monetary and fiscal policy stimulus to create and protect jobs, they have struggled to ease growing societal pressures.

One of the consequences of the pandemic has been an intensified debate about how to address various dimensions of inequality, both societal and economic.

Given this environment, it is more important than ever for companies to incorporate sustainability into their long-term strategies. Sustainability is fundamentally intertwined with visionary thought, disciplined leadership (especially in a crisis), being on the right side of societal change, and addressing the needs of others.

SCOTT BERG
Portfolio Manager,
Global Growth Equities

> Sustainability is fundamentally intertwined with visionary thought.

With Great Power Comes Great Responsibility

Just as the GFC was a reckoning for financial companies, so has the current health crisis been for the technology sector. Big tech companies like Apple, Amazon, and Netflix are not unfamiliar with ESG controversy. Their business models have driven and benefited from tremendous societal changes in the way we communicate, shop, and watch TV. While these societal shifts have driven topline growth, they also have created operational risks. With so much at stake, many technology companies have been taking material steps to address their approach to ESG considerations in human capital management and ethics (such as supporting increased payment of international taxes).

It's not just large firms that are recognizing their importance in supporting and improving our lives. Since the onset of the pandemic, smaller companies have also seen the difference they make to help us through challenging times. E-commerce platforms are playing a pivotal role in helping small businesses transition from offline to online. In health care, there are several smaller, niche biotech companies that are at the forefront of the coronavirus battle due to their capabilities in creating accurate testing, serology research, and vaccine support.

Never in history has such a collective focus been applied to a problem, and the hope is that society can emerge with a greater sense of shared goals from this period. We are seeing the results of this shift firsthand. Companies are initiating discussions on ESG considerations and outlining detailed plans, where historically it was more common for us to begin the conversation. The conversation around ESG has always been important to us, as we believe it creates better companies over the long term.

How Do We Factor in ESG?

One reason we feel we are well suited to the era's increasing focus on ESG is that we fully embed ESG analysis within our investment process. With an emphasis on durability and positive change, we feel informed and seek to invest in companies on the right side of change with respect to the next stage of the ESG journey. Our Responsible Investing team provides analysis on industry-level and stock-specific ESG issues, which we then incorporate into our company-specific analysis and investment theses. We also screen the entire portfolio using our proprietary Responsible Investing Indicator Model not only to help understand the characteristics that relate to ESG, but also to make us aware of any elevated exposures to specific ESG factors.

Integrating ESG is Crucial to Finding Good Growth Companies

A changing economic landscape powered by technology has brought significant disruption to societies around the world, and it has become clear that some form of intersection between society, companies, investors, and governments is crucial to perpetuating economic stability and success. The coronavirus pandemic has accelerated the adoption of sustainability trends by years, making it critical to understand this increased emphasis and how it will reshape the investment landscape.

ESG is a permanent part of this new order. Businesses will need to think carefully about their effect on industries, people, and ultimately the planet. Companies that understand these connections are often the innovators that are positioning themselves for real and future growth. We believe this is a good disruption that we seek to be on the right side of.

This is an illustrative example of how ESG factors may be incorporated into the investment process by Portfolio Managers. The views expressed may differ from those of other Investment Professionals at T. Rowe Price.

Key investment areas for potential long-term sustainability and impact

MATERIALS

Catastrophic weather events have demonstrated the reality of climate change.

Portfolio opportunities can arise by identifying companies that address climate change through carbon capture and storage, sustainable packaging, or green alternatives that are actively reducing their carbon footprints.

UTILITIES

Utilities can be instrumental in sustainability initiatives due to their large infrastructure, potential for durable income streams, and an ability to invest in renewables to aid in the energy transition.

Opportunities can be found in high-quality, well-run utilities that dedicate significant resources into renewable energy infrastructure.

HEALTH CARE

The pandemic intersected a period of growing demand and cost for health care provision and created a bifurcated landscape.

It has also pulled forward telehealth trends by years, and companies that provide these services have been seeing rapid adoption while helping patients to maintain essential and safe communication with doctors.

TECHNOLOGY

Given rising political and societal oversight, tech companies are rapidly addressing their responsibilities to act as good stewards of sustainability, even if it comes at the expense of short-term returns.

We actively engage with a number of large tech companies to help guide their ESG journeys and influence their decision-making where possible.

Global Fixed Income

How stronger incentives are changing ESG behavior

How do you think of ESG factors within your investment process?

Our investment process relies on bottom-up analysis, which develops into security selection. The analyst weighs environmental, social, and governance factors in determining the quality potential for a particular investment. We do this systematically and consistently, applying our methodology across all the securities that we look at, in order to construct a portfolio of securities that we believe will reflect broader social concerns.

This method not only helps us to compare opportunities, it also makes us very conscious of the idiosyncratic risks we may be taking on, and where they might be concentrated. Just because an individual security screens poorly on one criterion, that does not mean that it is automatically screened out of our universe. We're very interested in discovering opportunities where weaknesses are being addressed and there is scope for improvement as that can lead to improved valuations.

Our Responsible Investing Indicator Model analysis enables us to be systematic in the way we go about incorporating ESG factors into our investment decisions. It provides us with a very broad and detailed picture of the ESG profile of a particular investment proposition, which can then be compared with other investment propositions. The ability to put two assets side by side and objectively compare their ESG qualities is very powerful.

QUENTIN FITZSIMMONS
Portfolio Manager, Global Fixed Income

> "Analysts must consider the ESG factors of every investment they look at because those factors are going to play a role in determining the value of that investment.

How important are ESG factors in the global bond market?

They have become very important. As the markets have begun to understand the range of ESG criteria—and that it goes beyond just pollution or bad management—these criteria are becoming more clearly reflected in asset valuations. Simply put, ESG is something that cannot be ignored. Analysts must consider the ESG factors of every investment they look at because those factors are going to play a role in determining the value of that investment.

We believe ESG is only going to become more important over time. We can already see that there are going to be many competing external standards, which means that any global fixed income strategy is likely to be increasingly measured with its shadow rating (an unofficial rating) under those different approaches.

What are the ESG trends to watch in global fixed income?

I think the proliferation of external standards is going to be key. I believe agencies such as Moody's and S&P are going to increasingly incorporate ESG into the ratings they award. National governments and economic jurisdictions such as the European Union will likely be able to send strong price signals by committing to much more ambitious targets in areas such as lowering carbon emissions. It will also be worth monitoring whether central banks make a mark by steering asset purchase programs toward ESG criteria and ensuring that the capital costs of "bad" companies are higher than the companies that meet that criteria.

Stronger incentives would ultimately change behavior, but they would not necessarily make things easy or simple. Some companies and governments will score well on certain criteria and not others, which is why it is important to be as systematic as possible.

What is an example of ESG factors directly influencing your investment decision?

A recent example involved a bond offer by a North American oil company, where our analysis highlighted a number of elevated ESG risks. Principally, these included (i) meaningful exposure to energy transition risks, with an oil-heavy production mix and no clear path to lower carbon activities; (ii) a weak record on safety, with elevated worker fatality rates; and (iii) evidence of corruption reaching up to executive level. We believed the company would struggle to address these ESG challenges, particularly given its notable financial challenges and a low priority attached to sustainability. As a result, we decided not to participate in the bond offer.

On the corporate side, based on our analysis of a German auto manufacturer, we believe the company is trading below its underlying credit quality owing to perceived concerns over business ethics and corporate governance practices. We believe these ESG considerations, which are embedded in our holistic, bottom-up credit assessment, are improving and reflected in ongoing ethical reforms, increased compliance oversight, and moves to integrate ESG criteria into top executives' compensation. We believe that improving governance and the company's strong environmental credentials—reflected in its leadership in developing electric vehicles and its aggressive decarbonization strategy—can help enhance its overall ESG standing among investors and ultimately support its bond valuations.

This is an illustrative example of how ESG factors may be incorporated into the investment process by Portfolio Managers. The views expressed may differ from those of other Investment Professionals at T. Rowe Price.

Emerging Markets Corporate Debt

Integrating ESG factors has the potential to provide a research edge

How do you think of ESG factors within your investment process?

There are three features to highlight here. First, integrating ESG factors is a long-standing part of our approach to risk management and potential alpha (excess return) generation. Credit analysts research company fundamentals to identify those that we believe are inefficient or have the potential for ratings upgrades—this includes the consideration of environmental, social, and governance factors alongside financial analysis. So, ESG isn't new to the analysis and decision-making process in our space—it's part of our long-standing investment philosophy. Certain cyclicals or extraction companies simply don't meet our investment criteria.

Second, we screen the portfolio using T. Rowe Price's proprietary Responsible Investing Indicator Model (RIIM). RIIM and the research of the Responsible Investing and Governance teams provide broad coverage of the ESG risks and opportunities among companies in our universe. It offers a second perspective on the ESG characteristics and any elevated exposures in the portfolio.

Last, we utilize sovereign research and analysis to inform macro and sovereign views that underpin our corporate positioning. An emerging market country with better sovereign ESG characteristics, and a more robust regulatory environment, will typically provide a better backdrop for corporate investing and potentially encourage better corporate ESG practices. RIIM is invaluable here—it evaluates sovereign issuers on ESG criteria. Our sovereign analysts provide added insights on transparency, geopolitical assessments, and social stability factors.

SAMY MUADDI
Portfolio Manager, Emerging Market Corporate Bonds

> "Integrating ESG factors is essential to our alpha generation and risk management goals.

How important are ESG factors in the emerging market corporate bond space?

Integrating ESG factors is essential to our alpha generation and risk management goals. The ESG profiles of companies in the emerging market universe can vary markedly—there are questionable companies and there are good ones. Some sectors are more prone to having riskier ESG characteristics, such as extraction industries, while others are leveraged to more sustainable business trends and have shown good progress on certain ESG factors, such as Chinese real estate companies.

Three key ESG risk categories that demand particular attention in the emerging markets corporate bond universe are:

1. **Social and political risk:** The policy direction of a country—institutional quality, free speech, rule of law, and wealth equality—can have a profoundly positive or negative impact on its population and businesses. Conversely, improvements in areas like property rights and education can create sustained opportunities in the private sector. Our sovereign analysis is vital to building an in-depth understanding of the social and political profiles of each country in which we invest.
2. **Environmental risk:** In areas such as energy, utilities, and mining, which comprise a relatively large share of the emerging markets universe, a company's environmental practices can have significant effects on its business. On the positive side, companies that improve their practices are likely to enjoy lower capital costs and regulatory support.

Assessing Company Vulnerability to Permafrost Thawing

Incorporating a risk premium[1] for thawing into our bond evaluation

Lowest Risk Premium

- Lower risk exposure to thawing.
- Asset base is modern and able to better withstand permafrost changes.
- Balance sheet flexibility to address possible disruptions from environmental damage.

Medium Risk Premium

- At risk from thawing but bearing capacity deterioration not yet severe.
- Likely to have flexibility for higher capital expenditure.

Highest Risk Premium

- Majority of assets in permafrost areas, likely to require significant investment.
- Under pressure to maintain elevated dividend payments to shareholders.
- Balance sheet offers only a modest margin of error for permafrost-related incidents.

3. **Corporate governance risk:** For emerging markets, this is particularly important. Given the risks inherent in emerging markets lending, we require a high degree of comfort with the history, reputation, and other business relationships of the management teams we support.

What are the ESG trends to watch within emerging market corporate bonds?

There are three dynamics at play here—client demand, regulatory pressures, and markets. Clients around the globe are increasingly concerned with how ESG factors play a part in their investment portfolios. It's rare for our institutional client meetings not to feature discussions on ESG.

Regulation is also changing rapidly, driving changes in the way companies conduct their business, and the extent and quality of their ESG disclosure. Particularly when it comes to environmental regulation, the landscape will be very different going forward. For decades companies have borne little to no cost for the externalities of pollution or use of natural capital. Markets are increasingly pricing ESG factors into credit risk and spreads (the additional yield that investors require for holding riskier assets). For example, a Brazilian pulp and paper company we recently researched issued a sustainability-linked bond at a lower cost than traditional debt.

What examples do you have of ESG factors directly influencing your investment decision?

A recent example is our analysis of the impact of climate change on a Russian mining company. The company has infrastructure built on permafrost (ground that remains frozen at zero degrees or below for at least two years consecutively) in northern Russia. As the permafrost layer has begun to thaw and subside due to the warming of the climate, the company's logistics infrastructure has suffered collapses, including a rail line and storage tank. These issues will be costly to remedy and will require ongoing investment. As a result, we reassessed the appropriate spread.

Another example is a Chilean utility issuer. The company's shift to renewables should lower the group's average carbon intensity. The company is also transitioning its coal assets from providing baseload power generation to providing crucial grid balancing services, which has the potential to facilitate deployment of renewables in the electricity system. These adaptations have potential benefits in a world where momentum is building for a transition to cleaner energy.

[1] The additional return expected from an investment to compensate for the level of risk being taken.

This is an illustrative example of how ESG factors may be incorporated into the investment process by Portfolio Managers. The views expressed may differ from those of other Investment Professionals at T. Rowe Price.

FOCUS THEMES

Why 2021 Could Be an Epic Year for Climate Regulation

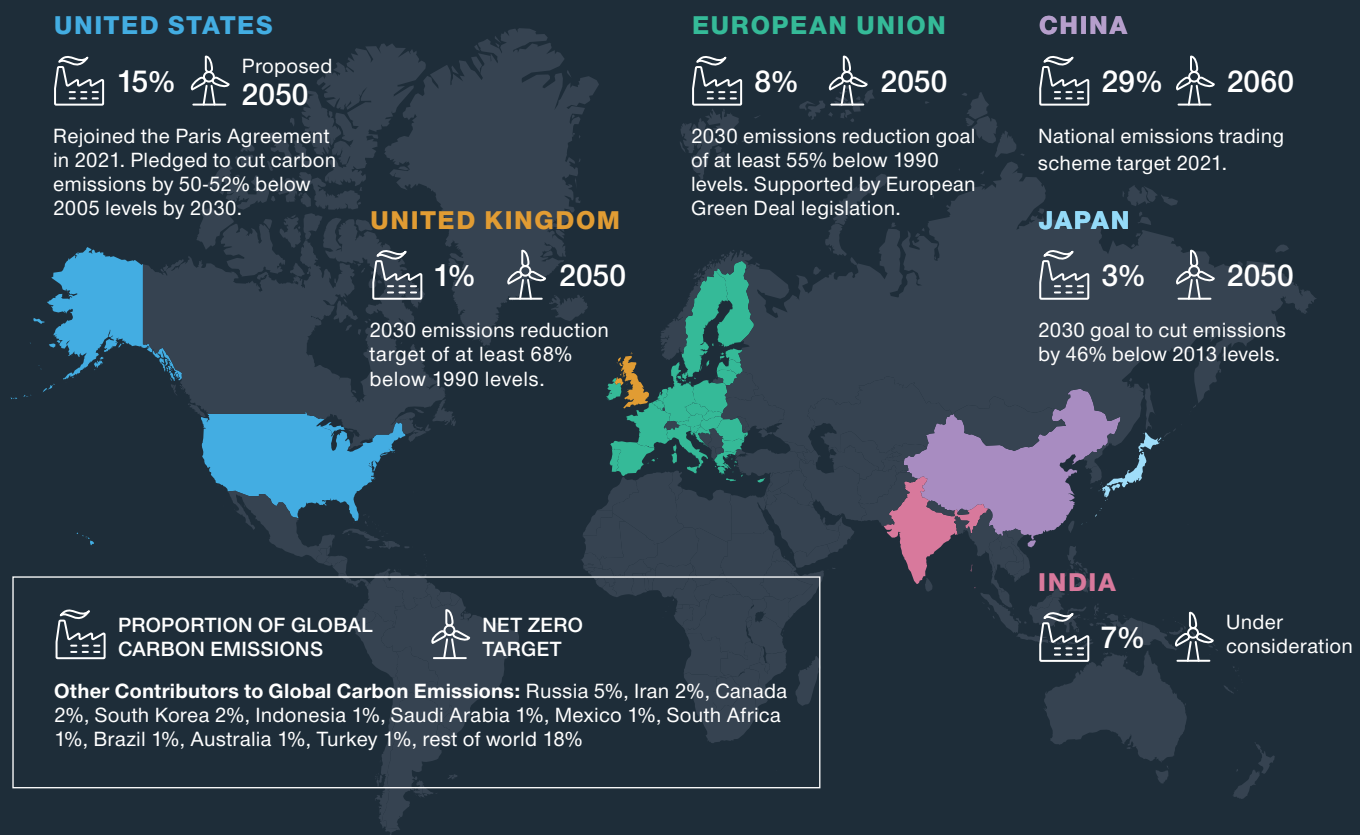
The impact of climate change presents a systemic investment risk, making the importance of an investment's environmental footprint more critical than ever before. The world has already experienced a rise of around 1°C in global temperatures over the preindustrial period and has started seeing the impacts of climate change in the form of extraordinary weather events, shrinking glaciers, and changing rainfall patterns.

To be successful in limiting the adverse impacts of climate change, a fundamental shift is needed in the relationship between the economy and the environment. While financial markets are well positioned to play a leading role, ultimately they will only be effective if climate change regulation is in place. In previous ESG annual reports we have highlighted the mismatch between policy and science when it comes to climate change. Over the past year, we have seen strong momentum to close that gap—a trend we expect to continue through 2021 as we lead up to the 26th United Nations Climate Change Conference (COP 26) in Glasgow in November.

Net zero carbon emissions targets (net zero targets) have been established by 61% of countries, 9% of states and regions in the largest emitting countries, and 13% of cities with a population of over half a million. In aggregate, they account for just over 60% of the world's carbon emissions.[1] A focus of COP 26 will be securing greater adoption of net zero targets—more countries have signaled that they will make announcements in the lead-up to the conference.

MARIA ELENA DREW
Director of Research, Responsible Investing

Global Carbon Emissions and Key Carbon Reduction Targets[2]



Except for a handful of countries that were already advanced in implementing their climate agenda, direct legislation to underpin net zero targets is largely absent. While we remain in the "early stages" in terms of implementation, it appears that the urgency of the situation is increasingly understood. Simply put, the odds of meaningful climate regulation coming into force is very high.

Carbon dioxide (CO_2) makes up about three-quarters of greenhouse gas emissions and is one of the more readily available environmental statistics. As such, it receives the most attention when it comes to climate change analysis. However, staying within a global temperature rise of 1.5°C will require mitigating more than just CO_2. In addition to regulation focused on power generation, energy efficiency and transportation, the task will require comprehensive regulation to mitigate methane (CH_4), nitrous oxide (N_2O), and fluorinated gases, as well as more sustainable land use and enhancement of carbon sinks. To date, most of the world's climate regulation has focused on carbon—mostly within the power sector—but that is changing.

To put the potential impact of forthcoming regulation into perspective, most estimates indicate that the world's current climate change commitments put us on a path to 2.7°–3.0°C of global warming. This is based on climate commitments made through the nationally determined contributions (NDCs) submitted by signatories of the Paris Agreement in 2015. Using a statistically based probabilistic framework, the probability of staying below 2°C warming is only 5% assuming a continuation of current trends.[3] If all countries were to meet their NDCs, it rises to 26%.[4] These low probabilities underpin the importance for net zero commitments.

How Climate Change Affects Financial Performance

While markets have anticipated some climate legislation coming into force, namely in select sectors directly impacted by energy transition, we do not see widespread evidence of dislocation in valuations across the broader economy. As new rules come into effect around the world, we expect that performance around climate issues will become increasingly more important to investment performance. Interestingly, we see a bifurcation in corporate approaches to climate change across all sectors of the economy. As legislative initiatives start to directly impact financial performance, we believe the differentiation between winners and losers will become evident (and potentially quite quickly).

Of course, regulation is not the only factor moving the needle on how issuers are responding to climate change. Other important factors are innovation and consumer preferences. On the innovation front, new advances have driven down costs in renewable power, which has sped up deployment of renewable capacity. The International Renewable Energy Agency estimates that the 3.2 terawatts implied in current NDC power targets for 2030 should be met as soon as 2022. On the consumer preferences front, we see companies adding environmental labeling to products as well as increasing demand for more sustainable products such as meat alternatives.

Evaluating Climate Change in Investments

At T. Rowe Price, we systematically evaluate climate change factors for individual securities and portfolios with our proprietary Responsible Investing Indicator Model (RIIM). RIIM analysis provides two key benefits for our analysts and portfolio managers. First, RIIM proactively searches for environmental indicators and controversies on companies and sovereign issuers—this is an important feature as environmental data is not required disclosure nor is it standardized like financial data. Second, RIIM provides a framework for evaluating environmental factors—in essence it creates a common language for our analysts and portfolio managers to discuss how an investment is performing on environmental factors as well as compare securities within the investment universe.

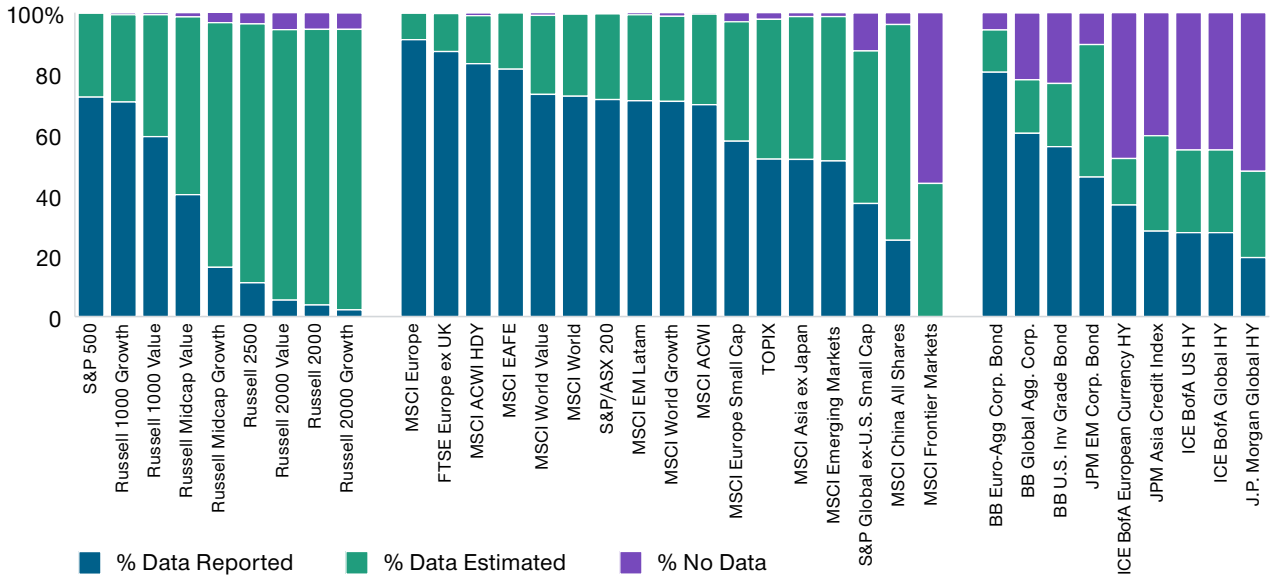
Our evaluation of climate change factors focuses on energy transition and physical risk, but we also believe that an issuer's environmental footprint and track record are important indicators of how they may perform in a tightening regulatory environment.

[1] Taking Stock: A Global Assessment of Net Zero Targets, Energy and Climate Intelligence Unit (March 2021). Net zero means achieving a balance between the greenhouse gases put into the atmosphere and those taken out. This state is also referred to as carbon neutral.

[2] Source: The International Energy Agency (IEA). As of December 2020.

[3,4] Liu & Raftery, Country-based rate of emissions reduction should increase by 80% beyond nationally determined contributions to meet the 2°C target (*Nature* 2021).

Carbon Emissions Data Availability by Index[5]



With our RIIM assessment, we consider our investments' environmental characteristics holistically—key areas of focus include:

- Energy transition
- Physical risk
- Biodiversity impact
- Circular economy contribution
- Land use
- Water use
- Track record on environment
- Accountability and transparency for ESG (including climate change)

Another critical element of our climate change-related analysis occurs through engagements. The most common topics of our environmentally focused engagements in 2020 were disclosure, greenhouse gas emissions, product sustainability, and general environmental management. In relation to disclosure, we continue to advocate for investee companies to report using SASB and TCFD frameworks. In 2020, we also put more emphasis on the importance of reporting scope 1–3 greenhouse gas emissions.[6]

We work with an imperfect data set when it comes to environmental analysis. This is partly a problem of limited disclosure and lack of universal reporting standards, but it is partly because some environmentally oriented factors are qualitative in nature (i.e. controversies, targets). Issues of disclosure and standardization are gradually being resolved and new sustainable finance regulations will accelerate what had been a largely voluntary trend from corporates, but we still have a long way to go. For example, carbon emissions is one of the most widely available statistics, but disclosure levels for scope 1–2 emissions cover less than half our investible universe and disclosure for scope 3 emissions is even lower.

We purchase a data set from Sustainalytics that provides carbon emissions and intensity for a universe of more than 11,000 companies, of which nearly 75% of the companies have estimated data. As illustrated in the chart above, for some indexes, upward of three quarters are covered with reported data; however, other indexes are almost entirely reliant on estimated data. While a reliance on estimated data can sound disconcerting to some investors, it has utility because it helps us understand the order of magnitude of carbon emissions for our portfolios versus their benchmarks. However, we do have to be cognizant of the data quality when considering it in our investment decisions.

Climate change is increasingly a major concern for global communities, companies, our clients and our investment teams. The focus on how companies are working to mitigate the risks to their activities is only set to intensify, and COP 26 and regulatory efforts will bring the issue further into the spotlight.

[5] Source: Sustainalytics (carbon data). As of 31 Dec 2020. Agg. Corp Bond = Aggregate Corporate Bond; BB = Bloomberg Barclays; HDY = High Dividend Yield; HY = High Yield; S&P/ASX 200 and TOPIX represent Australia and Japan stocks, respectively. Please see page 44 for Additional Disclosures about the Indexes featured in this chart. Chart depicts carbon emissions data disclosed by constituent companies of each Index.

[6] Scope 1 (direct emissions from owned or controlled sources): Scope 2 (indirect emissions from the generation of purchased electricity, steam, or cooling): Scope 3 (all other indirect emissions).

Evaluating ESG-Labeled Bonds

Increased Issuance is encouraging, but caution is required

MATT LAWTON
Sector Portfolio Manager

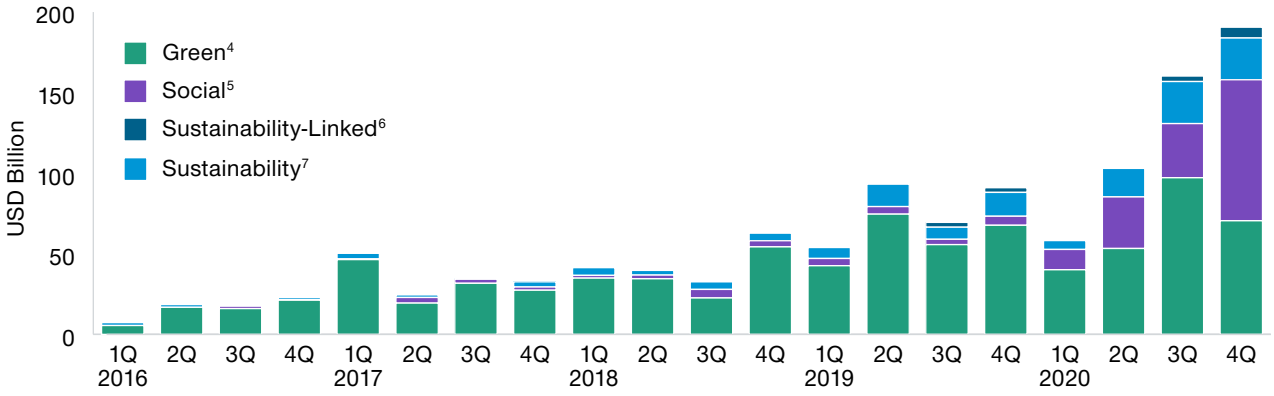
In 2020, USD 512 billion of ESG-labeled bonds were issued—an increase of 67% over the prior year.[1] While much of this increase was driven by agencies, sovereigns, sub-sovereigns, and supranationals raising capital to address coronavirus pandemic relief efforts, issuance of ESG-labeled bonds from corporations was up an impressive 19% in 2020 versus 2019.[2] The largest proportion of ESG-labeled bonds continues to be green bonds, but 2020 saw social bonds and sustainability-linked bonds grow their share substantially.

ESG bonds generally trade at a premium to their non-ESG counterparts (a valuation dislocation known as the "greenium"), making them a cheaper way for issuers to borrow. Demand pressures from passive funds with ESG benchmarks and green bond mandates have helped create a situation where the greenium effect is applied almost uniformly across the bond market, despite the actual environmental and social credentials underpinning each bond.

We are encouraged that companies are undertaking the green and social projects eligible for ESG-labeled bond financing. However, at T. Rowe Price, we need more than a label to validate the environmental or social credentials of a bond. We have concerns about some of the issuance practices around ESG-labeled bonds. Specifically, we are concerned about bonds lacking "additionality" (i.e., issuing a green bond for operational expenditures on renewable energy procurement that was already taking place) and, more worryingly, sustainability-linked bond structures that allow an issuer to recall the bond before sustainability target dates or where the step-up for meeting the target is immaterial.

To validate the credentials of an ESG bond, we leverage our RIIM analysis and fundamental research to evaluate the issuer as well as its ESG-labeled bond framework. We focus on the credibility of the use of proceeds and the quality of the post-issuance reporting. We also look for alignment with industry standards and whether the issuer has obtained external verification.

Global ESG-Labeled Bond Issuance Accelerated in 2020[3]



[1, 2, 3] Source: Bloomberg Finance L.P.
[4] Green bonds are issues where proceeds are used to finance or re-finance specific climate-related or environmental projects.
[5] Social bonds are issues where proceeds are used to finance or re-finance projects specifically aimed at creating positive social outcomes in communities.
[6] Sustainability-linked bonds are structurally linked to the issuer's achievement of climate or broader sustainable development goals.
[7] Sustainability bonds are issues where proceeds are used to finance or re-finance a combination of green and social projects or activities.

Diversity, Equity, and Inclusion in the Spotlight

From tragedy comes greater commitment to improve on equality dimensions

Amid the tumultuous markets of 2020, as virtually every country grappled with the coronavirus pandemic, another important investment movement arose from a tragedy of a different kind. The concern of investors and other stakeholders around diversity, equity, and inclusion (DEI) amplified following the tragic death of George Floyd at the hands of Minneapolis police in May 2020. An extended period of protest against racial injustice followed, both across the U.S. and in cities around the world.

These incidents prompted many to examine how to better promote positive change in our own lives and communities. It also compelled corporations to examine their links to systemic racism and explore ways to change these persistent and destructive patterns. Corporations responded to a variety of stakeholders as they undertook this analysis: their existing and future employees, investors, communities, and boards of directors. Often, corporate leaders felt it was an important moment to speak out.

DONNA ANDERSON
Head of Corporate Governance

MARIA ELENA DREW
Director of Research, Responsible Investing

Collecting Data on Diversity, Equity, and Inclusion

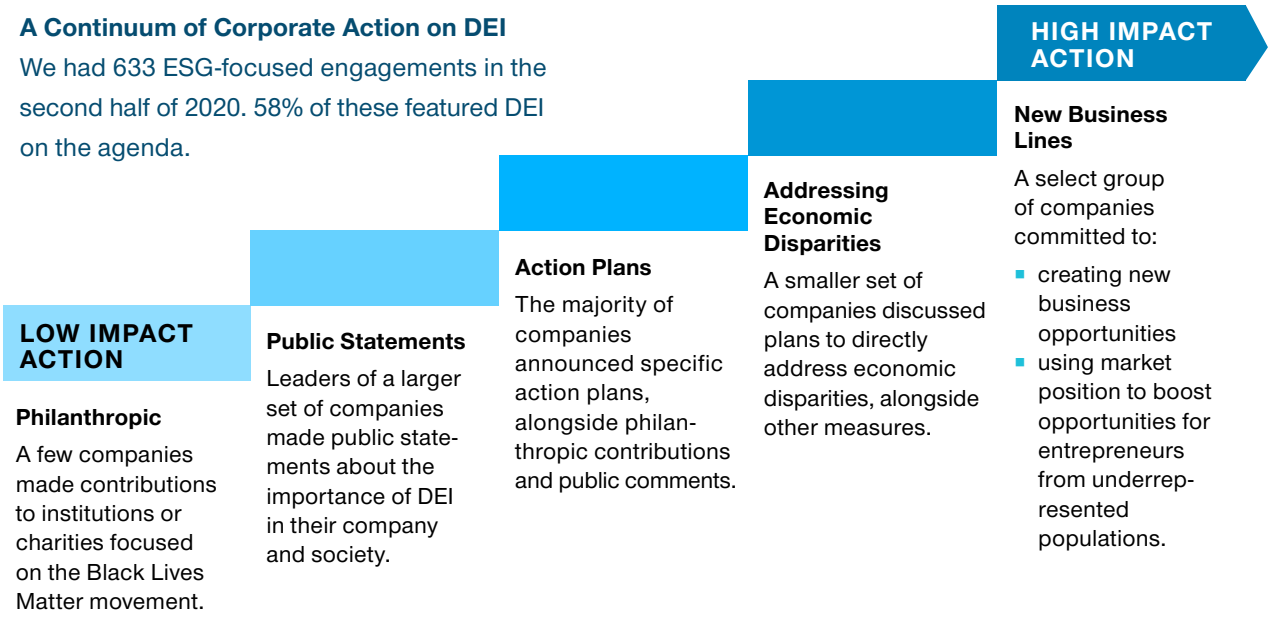
There are four ways T. Rowe Price generates insights about DEI and corporate culture. However, a lack of available comprehensive and comparable data in this area remains a serious challenge.

T. Rowe Price generates insights about DEI and corporate culture in four ways.

1	Investment analysts' fundamental research and analysis of the companies they follow.
2	Proxy voting guidelines that address board diversity specifically.
3	ESG corporate engagement program.
4	Proprietary Responsible Investing Indicator Model, or RIIM

A Continuum of Corporate Action on DEI

We had 633 ESG-focused engagements in the second half of 2020. 58% of these featured DEI on the agenda.



Disclosure levels by companies around DEI issues as of the end of 2019 were not impressive. For example, even for the large-cap, S&P U.S. equity universe, the levels of disclosure on gender diversity in management and within the broader workforce were poor, at just 38% and 62%, respectively. Data availability for ethnic diversity fared even worse at just 12% and 24%, respectively.

Encouragingly, however, we think the trends are improving, as dozens of larger U.S. companies have already agreed to accommodate investors' demands for more detailed diversity information. For example, many have already begun publicly reporting EEO-1 data, which break down U.S. employee populations by seniority, gender, race, and ethnicity. As such, we expect to see a marked improvement in disclosure rates moving forward.

Racial Inequality: A Continuum of Responses

An intense focus by communities and corporations on systemic inequality sharpened with the tragic incidents of the spring of 2020 and has continued at a steady pace since. In our deep experience of engaging with companies on ESG issues, we have never seen such a level of unity, candor, and commitment on any single issue as exhibited recently on DEI.

Of course, achieving true equity and inclusion in the corporate sector will be a long-term journey. In our recent discussions, we have observed that corporate reactions to stakeholders' concerns in relation to DEI have fallen along a continuum, as illustrated above.

We believe there is no single correct response for a company to take on the issue of racial justice. However, we believe that companies that make substantive changes to promote workforce diversity will have better outcomes in the long term.

This will continue to be an important topic in our discussions with companies, including following up on the commitments they have made. What is clear already is that DEI is a core value for many stakeholders of these companies—current and future employees, customers, investors, leaders, and boards. Those companies that do not meet stakeholders' expectations will likely see an erosion in their ability to compete for talent and market share.

ESG and Public Policy—Navigating Interlinked Crises

Opportunities presented by public policy change in the Biden era

KATIE DEAL
Analyst, Washington and Regulatory Research

At T. Rowe Price, our Public Policy Research team supports our analysts and portfolio managers through all stages of the investment process. We work closely with our ESG team to integrate policy catalysts and risk factors into the Responsible Investing Indicator Model (RIIM), while helping our investors assess the likely outcomes and implications of legislative, regulatory, and legal decisions for their company holdings and sectors.

Concerns Around U.S. Policy Remain, but of a Different Nature

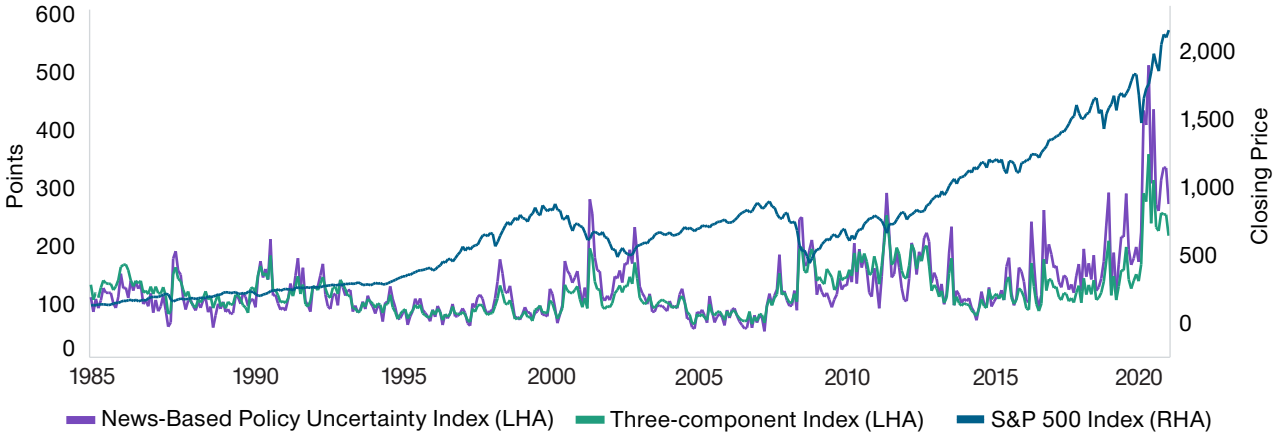
Between 2016 and 2020, we experienced a marked increase in concern from investors regarding the political volatility driving the legislative and regulatory environment. Despite this spike in economic policy uncertainty, the U.S. equity market still marched higher—with the S&P 500 gaining more than 1,000 points.

More recently, investors have expressed concern regarding the legislative and regulatory backdrop, but for an entirely different reason: crisis management. With the coronavirus pandemic came a level of market and economic uncertainty that continues to transform investors' expectations about the future—what a "new normal" might look like for the global economy, and what tools different governments will use to manage through to a post-crisis environment.

To this end, we have seen U.S. President Joe Biden adapt his policy rhetoric from "transformation" to "crisis management," framing the federal government as a source of stability for American families and businesses—not only for the dual public health and economic crises, but also for the risks posed by climate change and racial inequality.

Economic Policy Uncertainty Index and the S&P 500 Index

Despite a spike in policy uncertainty, the S&P 500 marched higher.



Past performance is not a reliable indicator of future performance.

Source: "Measuring Economic Policy Uncertainty" by Scott Baker, Nicholas Bloom and Steven J. Davis at http://www.policyuncertainty.com. S&P indices (see Additional Disclosures on page 44). As of January 31, 2021. The Three-component Index is constructed from three underlying datasets. One component quantifies newspaper coverage of policy-related economic uncertainty. A second component reflects the number of federal tax code provisions set to expire in future years. The third component uses disagreement among economic forecasters as a proxy for uncertainty. LHA=Left-Hand Axis; RHA=Right-Hand Axis. Data rebased to 100.

1. **Coronavirus: Public Health and Economic Crises**

The Biden administration's foremost priority is helping the nation heal from the public health and economic fallout caused by the coronavirus pandemic. As such, we expect landmark stimulus proposals to dominate the Biden administration's capacity in the coming year: the American Rescue Plan Act, comprising around USD 1.9 trillion in relief spending, and signed into law on March 11, 2021, and Biden's Build Back Better plan, which has been proposed in two phases: the American Jobs Plan, containing clean energy and infrastructure investment; and the American Families Plan, containing "human infrastructure" investments in health care, child-care, and the broader social safety net. Estimates for these proposals combined range between USD 2 trillion and USD 4 trillion in new spending and USD 1 trillion and USD 2 trillion in revenue raisers.

Combined, these plans inject an unprecedented level of federal stimulus into the U.S. economy—providing a striking amount of direct transfer payments to consumers and incentives for renewable and green technologies. The Build Back Better platform also invests in legacy infrastructure, creating opportunities in utilities and sectors related to grid modernization, broadband internet, transportation, and water systems. The Biden administration may also attempt to incorporate significant labor reforms to expand the workforce and increase the minimum wage—though they are unlikely to pass under the reconciliation process in Congress. These changes would have dramatic implications for different sectors' recoveries during and after the pandemic and will likely shift investors' overall expectations regarding tax policy, gross domestic product growth, and inflation.

2. **Climate Change: Legislative Incentives and Regulatory Deterrents**

Though a comprehensive, progressive environmental reform package like the Green New Deal is unlikely in this presidential term, we should expect a significant reversal from the regulatory status quo as President Biden seeks to build one of the most progressive environmental policy portfolios in U.S. history. Specifically, the Biden administration is seeking to heavily incentivize consumer and industrial adoption of green technologies—like electric vehicles and renewable power—through legislation, while disincentivizing the continued use and expansion of fossil fuels through regulation, which can be executed on a unilateral basis through federal agencies. The U.S. has rejoined the Paris Climate Accord and the president will look to establish cross-department research initiatives to expand policy recommendations for climate innovations like decarbonization. We also anticipate that the Biden administration will pursue stronger disclosure requirements and assessment of climate risk from firms, affecting our analysis of these firms' environmental risk. These changes present an opportunity to actively engage with the companies we are invested in, share our experience, and advise on disclosure best practices where required.

3. **Societal Division: Civil Rights, Wealth Inequality, and Populism**

President Biden has explicitly identified racial injustice as a pivotal crisis facing the United States, intersecting with issues like wealth inequality. We should expect the administration to pursue regulations and policy developments that improve racial equity while addressing workers' rights. This includes mandated improvement of worker protections, rhetorical support for unionization efforts, and advocacy for a higher federal minimum wage; as well as initiating federal investigations to identify and penalize discriminatory practices. It also includes implementing more progressive corporate and personal tax proposals to address the inequitable distribution of wealth in the United States. Though gridlock may prevent the Democratic majority from achieving several of these goals, we should expect the Biden administration to pursue these goals through all executive and regulatory tools available.

After the January 6 attack on the U.S. Capitol, concerns over falsified and propaganda-driven information prompted a renewed push for technology regulation. We will be monitoring how platform companies respond to data privacy, content liability, and market concentration concerns as Congress, the Department of Justice, the Federal Trade Commission, and the Federal Communications Commission begin to propose tools to regulate company behavior. From an investment perspective, the ramifications of such regulatory actions on the operations—and the bottom lines—of those companies most impacted could prove substantial.

CORPORATE ENGAGEMENT

2020 Engagement Activity

At T. Rowe Price, we are fortunate to manage USD 1.47 trillion[1] of assets for our clients, predominantly in actively managed portfolios. We believe the scale and scope of our business puts us in a powerful position compared with many of our peers when we carry out our ESG engagements with companies. The sheer size of our assets under management has clout. Simply put, it gives us better access to company management.

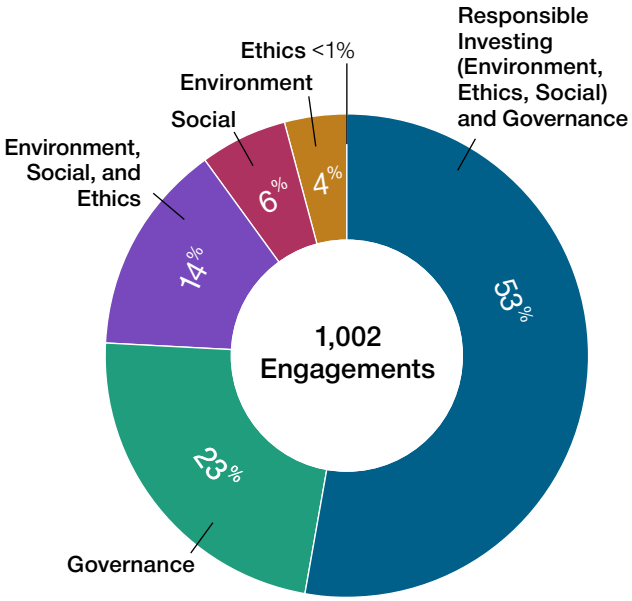
Our active investment approach also affords us real influence. In most cases, if we see an impediment to reaching our investment goals, such as a company's poor business practices or disclosure, we have the option not to invest. This contrasts with managers of passive portfolios, which typically have no choice but to hold an investment despite any evidence of business practice or disclosure concerns.

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

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

Through the course of 2020, we engaged with companies on 1,002 separate occasions, sometimes more than once with the same company.

Engagements by Topic (2020)



Top 5 Engagement Topics

ENVIRONMENT

1. Disclosure of environmental data
2. Greenhouse gas emissions
3. Product sustainability
4. Environmental management
5. Water and waste management

SOCIAL

1. Disclosure of social data
2. Diversity, equity and inclusion
3. Employee safety and treatment
4. Society and community relations
5. Product safety and sustainability

ETHICS

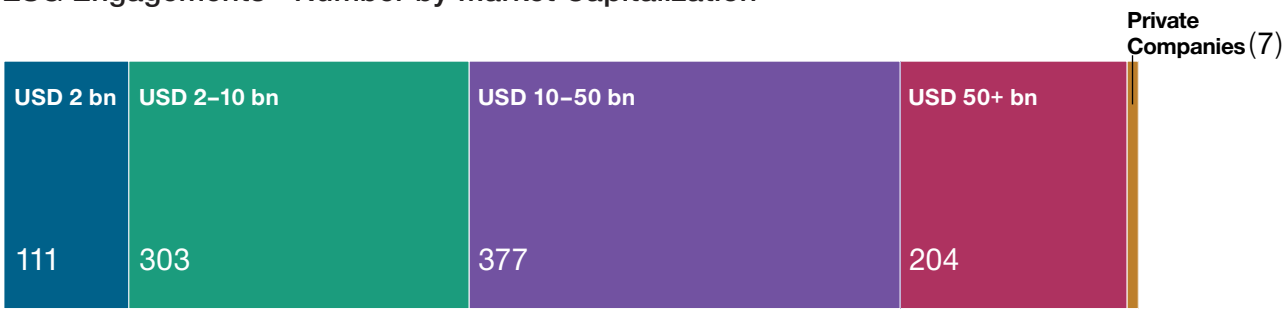
1. Compliance programs
2. Regulatory changes
3. Bribery and corruption
4. Lobbying activities
5. Facial recognition technology

GOVERNANCE

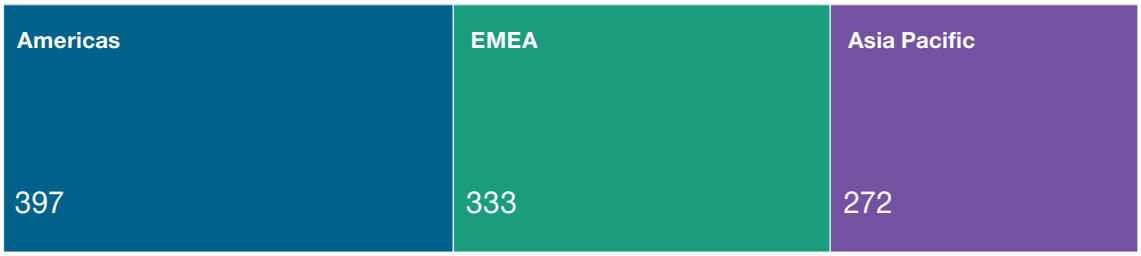
1. Executive compensation
2. Board diversity
3. Shareholder proposals
4. Board composition
5. ESG accountability

[1] As of December 31, 2020. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates.

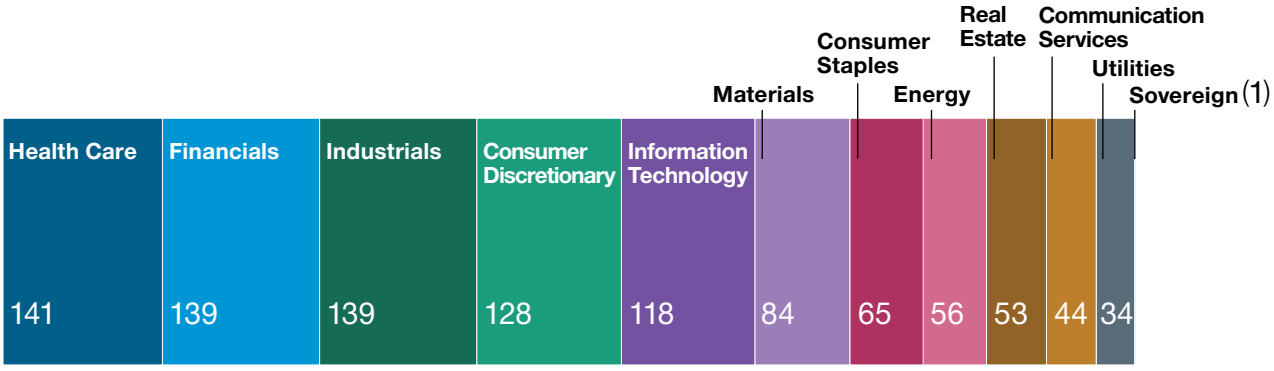
ESG Engagements—Number by Market Capitalization



ESG Engagements—Number per Region



ESG Engagements—Number per Sector



A Step-Change in Corporate Attitudes to Disclosure

Early in 2020, the outbreak of the coronavirus pandemic raised fears that the progress of global ESG initiatives would be undermined. As the full extent of measures needed to control the pandemic became clear, and we became aware of the significant social and economic impacts of this action, some observers questioned how companies would respond, and to what extent they would (or could) sustain their commitment to ESG principles and purpose.

However, we believe these early concerns have proved unfounded, with the pandemic having an almost opposite effect on the corporate environment to what was initially anticipated. The coronavirus pandemic has sharpened the focus on long-term sustainability and the significant impact that ESG forces can have on a business's progress and risk management. Rather than cutting back or eschewing ESG altogether, companies have instead doubled down, and ESG initiatives have surged amid a growing climate of "building back better."

Engagement Has Highlighted Positive Disclosure Trends

This positive trend has been reflected in our engagement with companies over the past year. While the general tone of our interactions with company management teams had already begun to shift before the pandemic, we experienced a step-change in corporate attitudes to ESG disclosure in 2020. Where discussions previously revolved around *why* companies should disclose ESG data at all, many companies now seek guidance on *what* ESG data to disclose and how best to go about it. Not many companies needed convincing about the relevance and importance of ESG, and increasingly sought guidance on ways to improve the level and quality of their ESG disclosure.

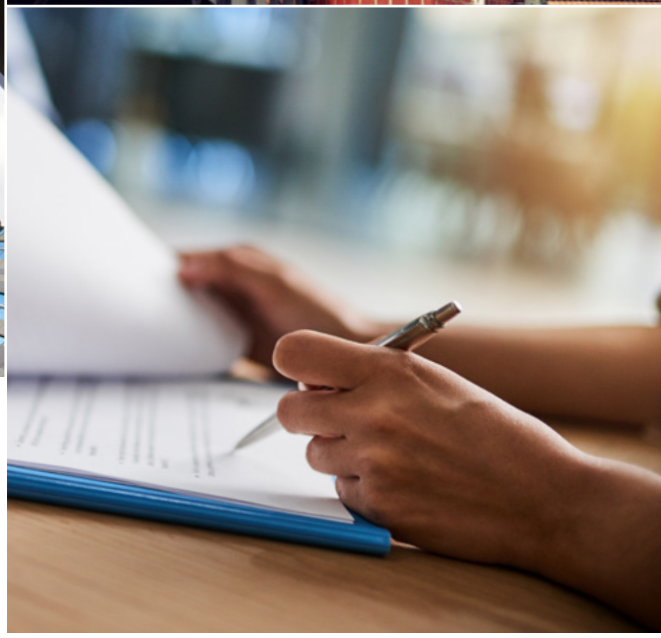
We continue to guide and encourage companies toward industry best practice disclosure standards. To this end, we advocate for disclosures aligned to the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD)—both globally recognized frameworks that emphasize financial materiality.

We also started to encourage companies we engage with, particularly those within the most carbon intensive industries (energy, industrials, agriculture, transportation) to report their scope 3 carbon emissions. Scope 3 emissions are those that are indirectly created by the reporting company, as a result of both upstream and downstream activity along the company's value chain. We see disclosing scope 3 emissions as being in a company's best interests, as those that elect not to disclose this information will almost certainly see it estimated anyway, and with variable accuracy. There are already many third-party commercial subscription services that are creating and selling these estimates.

Disclosing Diversity Data as Best Practice

Finally, we advocate for companies we engage with to actively disclose diversity data as a matter of best practice. While climate change has typically dominated the ESG narrative in recent years, diversity and equality have come sharply into focus over the past year. The onset of the pandemic and a rallying social justice movement have compelled companies to reconsider their approach to human capital management. Encouragingly, while there is some way to go, we are seeing many companies making efforts to improve, such as implementing human rights policies, or raising expectations for senior management to improve diversity efforts.

In 2021, we anticipate further regulatory actions around the world to improve ESG data quality and coverage. This would be a positive change, and we will continue to actively engage with companies, sharing our experience and expertise, and guiding on ESG disclosure best practices.



> Where discussions previously revolved around *why* companies should disclose ESG data at all, many companies now seek guidance on *what* ESG data to disclose and how best to go about it.

PROXY VOTING

2020 Proxy Voting Activity

Proxy voting is a crucial link in the chain of stewardship responsibilities we execute on behalf of our clients. Each vote represents both the privileges and the responsibilities that come with owning a company's equity instruments.

We take our responsibility to vote our clients' shares very seriously—taking into account high-level principles of corporate governance and company-specific circumstances. Our overarching objective is to cast votes to foster long-term, sustainable success for the company and its investors.

T. Rowe Price portfolio managers are ultimately responsible for the voting decisions within the strategies they manage.

They receive recommendations and support from a range of internal and external resources:

- The T. Rowe Price ESG Committee
- Our global industry analysts
- Our specialists in corporate governance and responsible investment
- Institutional Shareholder Services (ISS), our external proxy advisory firm

Our proxy voting program serves as one element of our overall relationship with corporate issuers. We use our voting power in a way that complements the other aspects of our relationship with these companies, including engagement, investment diligence, and investment decision-making.

Proxy Voting by the Numbers[1]

		77 Countries	3 Regions
65,405 Proposals Voted	48.7% Americas	21.7% APAC	29.6% EMEA

2020 Highlights

The following tables illustrate T. Rowe Price's global proxy voting activity for 2020. We voted on 65,405 proposals. Some categories, such as the election of directors, are universal across the markets where we invest.

Other voting issues are unique to select regions. The tables highlight the top five most common voting issues in each category, including the number of proposals we voted on and the percentage of those that we voted with management.

Americas | **31,843** Management and Shareholder Proposals

Management Proposals	# of Proposals	% With Mgmt
Elect Directors (Uncontested)	21,540	89.3%
Management Compensation: Say on Pay and Equity Plans	4,060	83.8%
Appoint Auditors/Approve Auditor Fees	3,239	98.9%
Routine Business and Operational Matters	932	72.7%
Capital Structure Items	775	75.0%
Other	713	72.9%
Total	**31,259**	

Shareholder Proposals	# of Proposals	% With Mgmt
Social, Political, or Environmental Matters	206	71.8%
Proposals to Adopt or Amend Shareholder Rights	154	77.3%
Related to Director Policies	113	58.4%
Related to Compensation Policies	39	82.1%
Related to Auditors	33	97.0%
Other	39	53.9%
Total	**584**	

APAC | **14,217** Management and Shareholder Proposals

Management Proposals	# of Proposals	% With Mgmt
Elect Directors (Uncontested)	8,600	93.8%
Capital Structure Items	1,770	89.5%
Routine Business and Operational Matters	1,476	91.9%
Management Compensation: Say on Pay and Equity Plans	1,266	83.9%
Mergers & Acquisitions	388	88.4%
Other	385	91.9%
Total	**13,885**	

Shareholder Proposals	# of Proposals	% With Mgmt
Related to Director Policies	142	94.4%
Related to Routine Business and Operational Matters	80	62.5%
Social, Political, or Environmental Matters	63	95.2%
Related to Auditors	24	95.8%
Related to Compensation Policies	16	62.5%
Other	7	71.5%
Total	**332**	

EMEA | **19,345** Management and Shareholder Proposals

Management Proposals	# of Proposals	% With Mgmt
Elect Directors (Uncontested)	6,656	88.9%
Routine Business and Operational Matters	4,585	91.9%
Management Compensation: Say on Pay and Equity Plans	3,219	80.8%
Capital Structure Items	3,208	90.1%
Appoint Auditors/Approve Auditor Fees	978	92.4%
Other	452	84.7%
Total	**19,098**	

Shareholder Proposals	# of Proposals	% With Mgmt
Related to Routine Business and Operational Matters	120	91.7%
Related to Director Policies	45	97.8%
Related to Auditors	41	100.0%
Social, Political, or Environmental Matters	31	58.1%
Related to Compensation Policies	8	100.0%
Other	2	50.0%
Total	**247**	

[1] As of December 31, 2020.

Shareholder Proposals in Focus

Where proxy voting is concerned, our overarching objective is to vote our clients' shares in a thoughtful, investment-centered way—in support of the path most likely to foster long-term, sustainable success for the company and its investors.

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

Voting Framework: Principles-Based or Case by Case?

When it comes to proxy voting issues, there is some debate as to the best approach: is it best to look at each issue individually and consider the company's circumstances or to apply a set of principles evenly across all companies? In our view, the answer is both.

There are many areas within proxy voting where a principles-based approach can be implemented effectively. For example, our proxy voting guidelines are generally designed to promote an appropriate level of board independence, robust shareholder rights, and strong linkage over time between executives' compensation and company performance. However, there are other areas where a case-by-case approach is necessary in order to achieve full alignment between our guidelines and our voting outcomes.

One area where this is very much the case is shareholder resolutions. The main reason shareholder resolutions are hard to implement with a principles-based voting approach is because they are more nuanced than other proxy voting categories. For example, we employ an objective set of indicators to determine a director's independence. It is a straightforward decision to vote against existing directors and indicate to the company that they should be replaced with independent board members. Shareholder proposals can call for the company to make a change, but also to employ a prescriptive method to do so. We often find ourselves agreeing with a proponent that a company's environmental or social disclosure is inadequate. However, we do not always agree with the prescriptive remedy put forth.

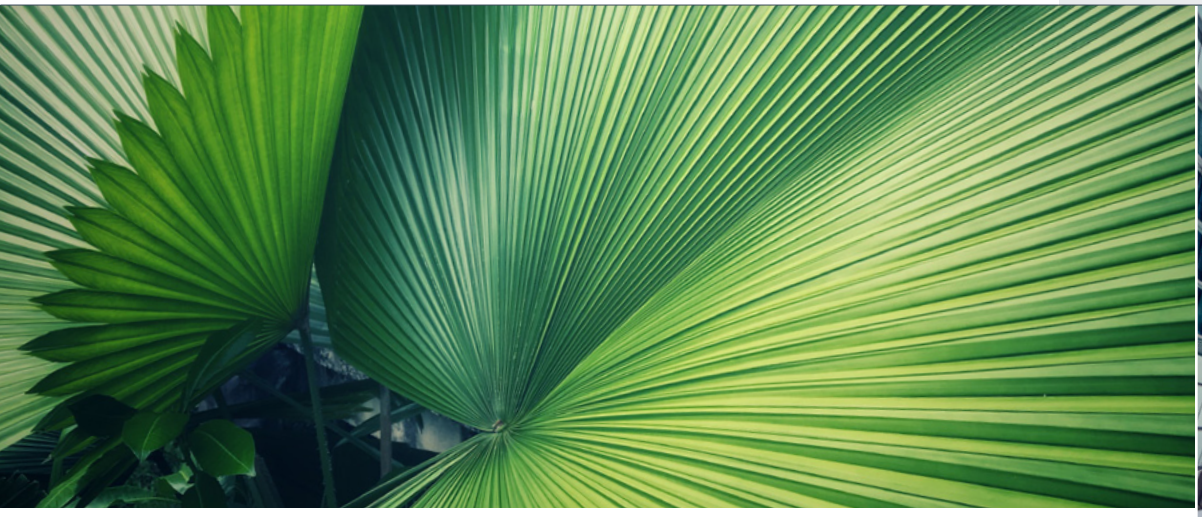
It is important to note that our overall framework for integrating ESG factors into our investment process—which includes proxy voting—is research-centered. Its purpose is to produce investment insights for our internal teams of analysts and portfolio managers.

As a global asset manager serving clients with different perspectives, beliefs, time horizons, and investment goals, it is not our objective to build our investment strategies around a specific set of values. Instead, our objective is to use different lenses (environmental, social, ethical, and governance) to deepen our understanding of the investments held in our clients' portfolios.

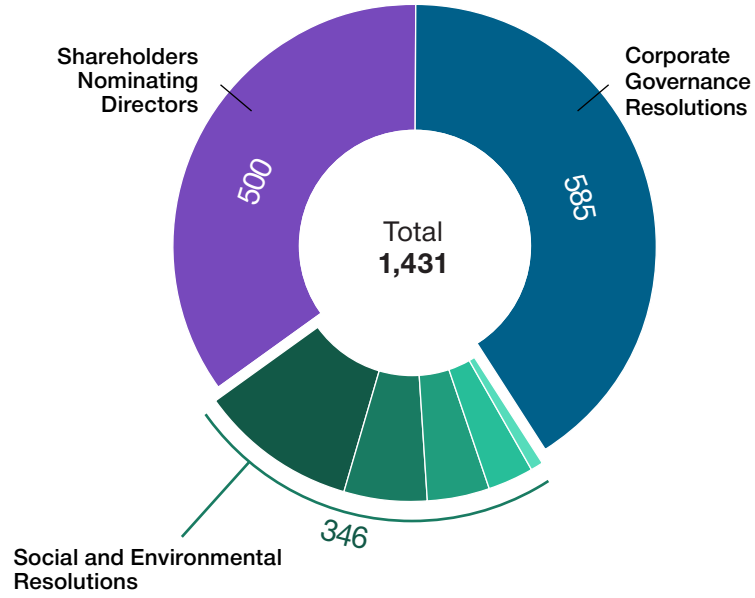
> There are areas where a case-by-case approach is necessary.

The Importance of an Investment Focused Framework

The quality, intent, and utility of shareholder resolutions on ESG matters are highly variable. Some well-targeted resolutions are extremely helpful in persuading companies to strengthen their management of certain risks, leading to improved outcomes for investors. Other resolutions are not helpful—we would even call them harmful—if the objectives of the proponent do not align with economically oriented long-term investors. This is why we believe the most responsible approach to voting such resolutions is to apply a thoughtful, investment-focused framework.



Shareholder Resolutions Voted on in 2020



Social
148 RESOLUTIONS

19% supported
80% opposed
1% elected not to vote due to share blocking*

Environmental
81 RESOLUTIONS

30% supported
63% opposed
1% abstained
6% elected not to vote due to share blocking*

Political Spending and Lobbying
62 RESOLUTIONS

32% supported
68% opposed

Anti-nuclear Power
43 RESOLUTIONS

100% opposed

Anti-ESG
12 RESOLUTIONS

100% opposed

Chart shows the number of shareholder resolutions we voted on in 2020 by proposal topic. For "Social and Environmental Resolutions" we classify the proposals into five distinct categories.

* Share-blocking is a requirement in certain markets that impose liquidity constraints in order to exercise voting rights. We generally do not vote in these markets.

As of December 31, 2020.

Source: T. Rowe Price.

COLLABORATIONS

Collaborative Engagement and Industry Leadership

We participate in collaborative industry initiatives on a selective and strategic basis. These initiatives support our core engagement program. We seek to understand where collaboration can provide the most viable and impactful supplement to our powerful internal capabilities.

Five key considerations for collaborative engagement

When considering participation in a collaborative engagement initiative, we weigh the following factors:

ALIGNMENT	IMPACT POTENTIAL	RESOURCE FOCUS	PRACTICALITY	TANGIBILITY
How closely aligned is this engagement opportunity with our investment holdings? Does it include companies where we are significant shareholders?	Would our participation help the engagement initiative? Does it need a large asset manager merely to gain attention, or does it already have broad support?	Does the engagement make the most efficient use of our internally dedicated engagement resources?	Have we already undertaken the same engagement or very similar engagements unilaterally with success?	Is the scope of the collaborative engagement clear, and are we confident that it will not change over time?

As the pandemic subsides, we expect regulators across global markets to examine issues such as capital formation, ESG objectives, share buybacks, executive compensation, working conditions, and corporate disclosure. T. Rowe Price will continue to participate in these discussions at the industry and regulatory levels and advocate for stronger disclosure requirements. In 2020, our advocacy initiatives included:

- Public comments to the U.S. Department of Labor on two occasions, noting potential shortcomings in the department's proposed rules imposing limits on ESG investments and proxy voting
- Public comment to the U.S. Securities & Exchange Commission supporting changes to the Nasdaq listing rules to promote board diversity
- Public comments to the Bangladesh Securities & Exchange Commission expressing concerns about extended market closures
- Representing the asset manager community on a working group for the UK Pensions and Lifetime Savings Association (PLSA)
- Participating in consultations for sustainable finance regulations in the European Union, United Kingdom, Hong Kong, and Singapore

T. Rowe Price has joined or led the following initiatives:

Organization	Description	Joined
Council of Institutional Investors (CII)	U.S. association of institutional investors, corporate issuers, and asset managers	1989
Principles for Responsible Investment (PRI)	Global initiative for responsible investment	2010
UK Stewardship Code	Public commitment to uphold stewardship principles for UK investors	2010
Japan Stewardship Code	Public commitment to uphold stewardship principles for Japanese investors	2014
Associacão Investidores no Mercado de Capitais (AMEC)	Association for minority investors in Brazil	2015
Asia Corporate Governance Association	Pan-Asian association for institutional investors	2016
UK Investor Forum	Collaborative engagement association for investors in UK companies (Founding Member)	2016
Investor Stewardship Group (ISG)	Investors advocating for core governance principles for U.S. market participants (Founding Member)	2017
Japan Stewardship Initiative	Investor forum for stewardship solutions and sharing of best practices (Founding Member)	2019
Investment Association Climate Change Working Group	Group to direct the work of the UK investment management industry trade body in relation to climate change	2020
Institutional Investors Group on Climate Change (IIGCC)	European membership body for investor collaboration on climate change	2020
Emerging Markets Investors Alliance	Organization that facilitates investor advocacy to improve policies and practices of governments and companies in the emerging markets	2020
Task Force on Climate-related Financial Disclosures (TCFD)	The Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information	2020
Responsible Investment Association Australasia (RIAA)	Champions responsible investing and a sustainable financial system in Australia and New Zealand	2020
FAIRR	A collaborative investor network that raises awareness of the ESG risks and opportunities caused by intensive animal production	2020
Access to Medicine Index	A tool for driving change in the pharmaceutical industry, through the identification of best practices, tracking progress and highlighting where critical action is needed to improve access to medicine for vulnerable populations	2021
TCFD Consortium (Japan)	Supports the TCFD in Japan, by furthering the discussion on good practice related to climate-linked disclosures and endorsing better-informed investment decisions	2021
Global Impact Investing Network (GIIN)	Organization dedicated to increasing the scale and effectiveness of impact investing around the world	2021
Sustainability Accounting Standards Board (SASB) Alliance	Program designed for asset managers, asset owners, companies and service providers to learn about the financial impact of ESG issues. It allows members to explore best practices to integrate material sustainability information into existing processes	2021
UN Global Compact	The world's largest corporate sustainability initiative. Its strategy drives business awareness and action in support of achieving the UN Sustainable Development Goals by 2030	2021
IMEA (Investment Management Education Alliance) ESG Committee	A forum exclusively for investment management firms to discuss multiple aspects of the ESG investment and education	2021

As of April 2021.

RESOURCES

ESG Team

Responsible Investing

MARIA ELENA DREW
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SUHA READ
Business Manager, Responsible Investing (London)

JOE BALDWIN
Associate Analyst (London)

ASHLEY HOGAN
Associate Analyst (Baltimore)

NATALIE MCGOWEN
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SCOTT PETRIE
Associate Analyst (London)

IONA RICHARDSON
Associate Analyst (Hong Kong)

DUNCAN SCOTT
Associate Analyst (London)

KAOUTAR YAICHE
Analyst (Baltimore)

Governance

DONNA ANDERSON
Head of Corporate Governance (Baltimore)

JOCELYN BROWN
Head of Governance, EMEA and APAC (London)

KARA MCCOY
Governance Analyst (Baltimore)

Regulatory Research

KATIE DEAL
Analyst, Washington Research (Baltimore)

MICHAEL PINKERTON
Associate Analyst, Washington Research (Baltimore)

Proxy Services

AMANDA FALASCO
Lead Manager (Baltimore)

T. Rowe Price Investment Management (TRPIM)[1]

CHRISTOPHER WHITEHOUSE
Future Head of ESG, TRPIM (London)

KEVIN KLASSEN
ESG Quantitative Analyst (Baltimore)

MOLLY SHUTT
Associate Analyst, Responsible Investing (Baltimore)

[1] On 11/19/2020, T. Rowe Price Associates, Inc. (TRPA), announced its intent to create a new, separate, SEC-registered U.S. investment adviser, T. Rowe Price Investment Management (TRPIM). Pending all approvals, TRPA will transition 6 of our well-established U.S. equity and fixed income investment strategies from TRPA to TRPIM in the second quarter of 2022. For more information on T. Rowe Price Investment Management, the press release is available here.

ESG Committee

Donna F. Anderson
Co-Chair, Head of Corporate Governance

Maria Elena Drew
Co-Chair, Director of Research, Responsible Investing

Kamran Baig
Director of Equity Research, EMEA and Latin America

Hari Balkrishna
Portfolio Manager, Global Impact Equity

Oliver Bell
Associate Head, International Equity

R. Scott Berg
Portfolio Manager, Global Growth Equity

Brian W. Berghuis
Portfolio Manager, U.S. Mid-Cap Growth Equity

Jocelyn Brown
Head of Governance, EMEA and APAC

Archibald Ciganer
Portfolio Manager, Japan Equity

Anna M. Dopkin
Strategic Project Manager

Amanda Falasco
Lead Manager, Proxy Services

Ryan Hedrick
Associate Portfolio Manager, U.S. Large-Cap Equity

LQ Huang
General Manager, U.S. Equity

Arif Husain
Head of International Fixed Income

Michael Lambe
Associate Director of Research

Matt Lawton
Sector Portfolio Manager

Matthew Leef
Head of U.S. Investment, Middle Office

Ryan Nolan
Senior Legal Counsel, Legal

Gonzalo Pángaro
Portfolio Manager, Emerging Markets Equity

Sally Patterson
General Manager, International Equity

Preeta Ragavan
Equity Investment Analyst

Jeff Rottinghaus
Portfolio Manager, U.S. Large-Cap Core Equity

John C.A. Sherman
Equity Investment Analyst

Justin Thomson
Chief Investment Officer and Head of International Equities

Mitchell Todd
Portfolio Manager, UK Equity

Eric Veiel
Co-head, Global Equity

Christopher Whitehouse[1]
Future Head of ESG, TRPIM

Ernest Yeung
Portfolio Manager, Emerging Markets Discovery Equity

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Additional Disclosures

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