T. Rowe Price®
INVEST WITH CONFIDENCE

T. ROWE PRICE

ESG POLICY

UPDATED AS OF OCTOBER 2021

BACKGROUND

At T. Rowe Price, we incorporate environmental, social, and governance (ESG) considerations across our investment platform. We believe that ESG issues influence investment risk and return, and, therefore, we incorporate them into our fundamental investment analysis. Additionally, we recognize that many of our clients' goals are not purely financial. As such, we offer select investment products that seek to invest in ways that align with our clients' values or have the potential to drive positive environmental or social impact.

ESG integration is the incorporation of environmental, social, and governance factors into investment analysis for the purpose of maximizing investment performance. Fiduciary duty remains the top priority. We view ESG integration as foundational—it is a core investment capability, which we have embedded in our investment research platform across asset classes. ESG integration is applied to all of our investment products, where applicable. Additionally, we have strategies that cater to clients who want to reflect their values or a sustainable objective in their investments.

ESG INTEGRATION	SOCIALLY RESPONSIBLE	IMPACT
Incorporating environmental, social, and governance factors into investment analysis **for the purpose of maximizing investment performance**.	Imposing values-based investment parameters on a portfolio regardless of their potential impact on performance. **Client elects to have values goals supersede financial goals.**	Investments made with the intention to generate positive environmental and social impact alongside a financial return.
We have embedded ESG through our investment research platform. It is one of the many tools that support the **deep, fundamental research** performed by our investment professionals.	We have launched a fund range that imposes values-based parameters to our existing portfolios via the overlay of our proprietary exclusion list.	We launched our first impact strategy in 2021.

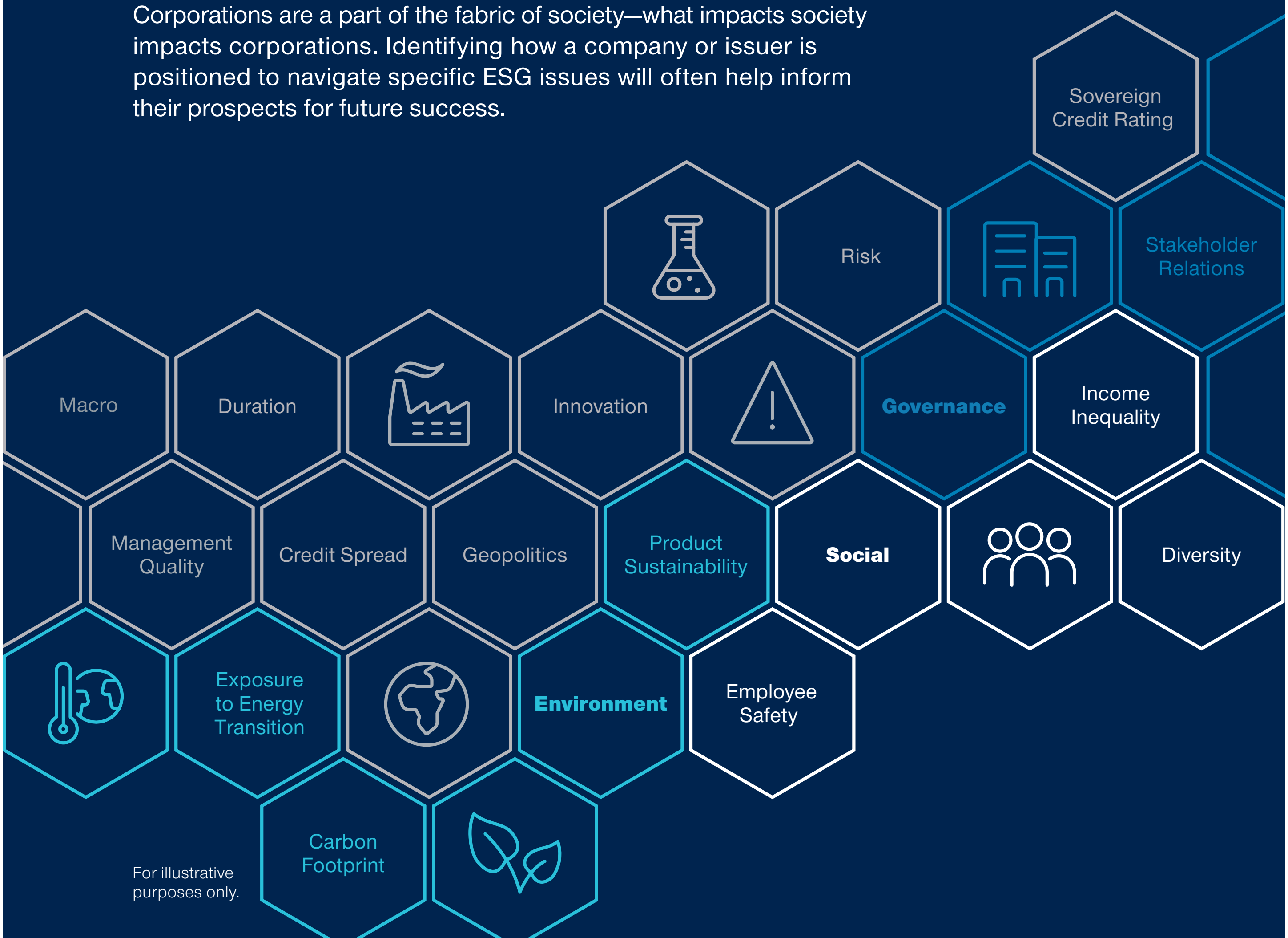
ESG INTEGRATION

At T. Rowe Price, we are known for our deep fundamental investment research. Thomas Rowe Price, Jr., founded our company during the Great Depression with a belief that the long-term potential of companies could be determined by evaluating the risks and opportunities to their business. He committed to firsthand research, establishing one of the world's first dedicated research departments. Proprietary research is still at the heart of our approach, and this includes ESG integration.

Our philosophy is that ESG factors are a component of the investment decision—meaning that they are not the sole driver of an investment decision, nor are they considered separately from more traditional investment factors such as valuation, financials, industry trends, and macroeconomics.

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.

Integration of environmental, social, and governance factors into our investment process starts with the initial research at the inception of an investment idea and continues through the life of the investment. This analysis is applied to multiple stages and includes such steps as:

- identification and monitoring of ESG data for security analysis;
- consideration of ESG risks or "red flags" through fundamental analysis;
- consideration of ESG risks and/or opportunities in portfolio construction;
- engagement with Boards, managements, nonfinancial stakeholders, or government officials; and
- proxy voting (for equities).

The primary responsibility for determining the impact of ESG factors on clients' investments lies with our analysts and portfolio managers, who are supported by our Responsible Investment and Corporate Governance teams. Our approach is driven by the following principles:

1. **Integration**—As ESG integration requires balancing environmental, social, and governance factors with other investment factors, the responsibility for integrating ESG factors lies with our analysts and portfolio managers.
2. **Collaboration**—In order to support our investment professionals' capacity to incorporate ESG factors into their decision-making, we have specialists in ESG and regulatory research within our investment research teams who work closely with our analysts and portfolio managers and provide ESG research.
3. **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.

PROCESS

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

Our ESG specialist teams provide investment research on ESG issues at the security level and on thematic topics. They have built tools to help proactively and systematically analyze the environmental, social, and governance factors that could impact our investments. One such tool is a proprietary scoring system called the Responsible Investing Indicator Model (RIIM), which forms the foundation of our ESG integration process. The RIIM framework provides two key benefits:

1. RIIM provides a uniform standard of due diligence on ESG factors across our investment platform; and
2. RIIM establishes a common language for our analysts, portfolio managers, and ESG specialists to discuss how an investment is performing on ESG and to compare securities within the investment universe.

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 ESG data available vary across asset classes.

For equities, corporate bonds, and sovereign bonds, we have a three-step ESG integration process: (1) identification, (2) analysis, and (3) integration. In step 1 (identification), 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. 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. Additionally, 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.

For municipal and securitized issuers, the ESG data universe is still developing. As we have not yet found ESG datasets that we believe are robust enough to directly integrate into the RIIM framework, we have a three-step ESG integration process: (1) identification, (2) analysis, and (3) integration. Our credit analysts conduct ESG analysis on each security. To do this, they utilize the RIIM framework to ensure that a uniform standard to ESG due diligence is conducted on each security. Our credit analysts leverage our in-house ESG specialists, third-party research, and their 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 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 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.		

ASSET CLASS CONSIDERATIONS

The following graphic includes a non-exhaustive list of factors used for ESG integration in each asset class.

	ENVIRONMENTAL	SOCIAL	GOVERNANCE
Equities and Corporate Bonds	Adaptability of sourcing Biodiversity impact Emissions intensity Environmental track record Hazardous chemicals use Impact of carbon taxation Integration of eco-design "New cities" infrastructure Pesticide safety standards Product end-of-life Regulatory dynamics Site restoration provisions Stranded asset risk Sustainable product sales Sustainable raw materials Waste recycling (mgmt.) Water intensity	Access to skilled labor Bribery/corruption record Conflict minerals sourcing Customer preference shift Data privacy standards Diversity statistics Fair trade sourcing Health and safety record Lobbying standards Local community relations Marketing standards Product safety record Robotics integration Stakeholder relations Supply chain standards Talent retention Technology shift	Accounting standards Audit practices Antitakeover provisions Board composition Board expertise Bond covenants Financial transparency Management remuneration Share issuance policies Shareholder rights
Sovereign Bonds	Agricultural capacity Air pollution/emissions Climate change impact Ecosystem quality Energy dependency Energy resources Risk of stranded assets Water resources	Crime and safety Education levels Employment levels Food security Human rights Income inequality Institutional quality Poverty Public health	Bond covenants Corruption Institutional strength Rule of law Institutional quality
Securitized Bonds	Exposure to green activities—e.g., renewables, electric vehicles Exposure to energy transition risk Exposure to physical climate change risk Green building certifications Energy efficiency	Exposure to affordable housing Income inequality Level of homeownership Population dynamics Contribution to wealth inequality	Bond covenants ESG disclosure Internal controls and loan modification standards Originator ESG standards and track record Sponsor performance and legal history Originator underwriting practices Regulatory standards Timeliness and quality of financial reporting
Municipal Bonds	Exposure to green activities—e.g., renewables, electric vehicles, public transport Exposure to energy transition risk Exposure to physical climate change risk Issuer's management of environmental footprint	Accessibility of health care Crime and safety Education levels Employment levels Exposure to social activities—e.g., hospitals, schools, transport Income inequality Population dynamics and trends Positive social contributions Poverty levels Quality of infrastructure	Bond covenants Quality of management Quality of governance and Board Quality of elected officials and key government staff Timeliness and quality of financial disclosure

ASSESSMENT OF ENVIRONMENTAL AND SOCIAL FACTORS

While terminology in the asset management industry tends to group environmental, social, and governance factors into one ESG bucket, we believe the “E” and “S” factors need to be treated differently than the “G” factors in the investment process. Corporate governance standards are well established around the world and more uniformly disclosed. This is not the case when it comes to disclosure of environmental and social data. When determining which data points to evaluate across an industry/region, we take a thoughtful analysis of each criterion and ask ourselves a series of questions, including:

- Is the factor material to the underlying investment?
- Is the factor a meaningful contributor to environmental or societal burdens/tailwinds?
- Is there a data point underpinning that factor?
- Is the data point a quantitative or qualitative assessment?
- If the data point is qualitative, what level of subjectivity has been incorporated?
- Are the data uniformly disclosed? Are issuers using the same reporting standard?
- Are the data commonly disclosed within an industry/region?

Our approach to environmental and social factor integration is highly differentiated at the sector and industry levels. Materiality to the underlying business model is one of the key determinants used in our analysis.

	ENVIRONMENTAL FACTORS	SOCIAL FACTORS
Consumer Discretionary	Eco-design product/electric vehicles Responsible sourcing (cotton, synthetic textiles, etc.) Waste management	Treatment of workers in the supply chain Employee relations (unions/“living wage” workers) Customer behavior (online shift)
Consumer Staples	Organic products HCFCs phaseout Responsible sourcing (palm oil and other agri-products)	Fair trade products Supply chain management (vulnerable agri-chains) Human health impact (sugar, tobacco, etc.)
Energy	Methane emissions Risk of stranded assets Refinery/chemical emissions	Employee and contractor health and safety Relations with local communities Bribery and corruption
Financials	Sustainable financing Environmentally related products (drought protection) Natural catastrophe risk	Human capital management (talent retention) Cybersecurity Business ethics
Health Care	Water usage Waste disposal	Product safety Cybersecurity Appropriate marketing/lobbying practices
Industrials	Energy-efficient products Intermodal transportation shifts Manufacturing environmental footprint	Bribery and corruption (aerospace and defense) Product safety Robotics
Information Technology	“Smart” appliances and infrastructure Water usage (semiconductors) Product end-of-life	Data privacy Responsible sourcing (conflict minerals) Human capital management (talent retention)
Materials	Emissions Efficient building products Responsible pesticide usage	Employee and contractor health and safety Relations with local communities Bribery and corruption
Real Estate	Eco-friendly buildings “New cities” infrastructure	Local communities/affordable housing Demographic shift/aging population
Telecommunications	Intelligent and efficient network infrastructure	Cybersecurity Improving lives through connectivity Responsible sourcing (conflict minerals)
Utilities	Shift toward distributed power Electric mix shift toward renewables/grid stability Stranded assets	Employee and contractor health and safety Relations with local communities Human health impact (particulate emissions)

ASSESSMENT OF CORPORATE GOVERNANCE FACTORS

We focus on the governance factors that we consider to be most relevant given the issuer's sector, region, and asset class. However, our objective is to support governance practices designed to enhance and preserve long-term shareholder value. We employ a governance lens to our company analysis throughout the life cycle of an investment. While we maintain a highly contextual, company-specific approach to assessing corporate governance, we believe the following principles can be applied to corporates across the globe:

- The importance of Board accountability to investors
- Shareholder rights in reasonable proportion to economic ownership
- A Board structure that fosters independence, a mix of perspectives, and effectiveness
- Incentive structures for Boards, management, and employees that are aligned with the company's strategy

Other factors that we consider include the robustness of the internal controls framework and whether the external auditor provided a qualified opinion. We also expect to have independent directors on a company's Audit Committee to provide robust oversight of the financial reporting and control framework.

Particular attention will be paid to the Board's handling of any ESG controversies, including those related to employee relations and tax. The company's policies, practices, and level of disclosure will also be considered in the assessment of Board oversight.

ENGAGEMENT

We believe it is incumbent on T. Rowe Price as an asset manager to safeguard our clients' interests through active ownership, monitoring, and engagement with companies and other issuers we believe to be applying a substandard level of oversight in certain key areas. In our experience, such engagement is most effective when it is directly led by our portfolio managers and reflects their view that a serious concern is present but potentially may be ameliorated through our efforts. These are the situations where we have and will continue to concentrate our investment of time and resources because we believe they have the highest probability of a successful outcome for our clients.

Occasionally, we participate with other investors in industry-level initiatives aimed at improving disclosure or business practices on a market-wide level. However, the central focus of our engagement program is at the company level. Generally, we do not identify broad themes and then engage with multiple companies on the same issue. We believe our company-specific approach results in the highest impact because it is aligned with our core investment approach: active management rooted in fundamental investment analysis. (More information on our engagement practices is available in our Engagement Policy document.)

PROXY VOTING

Proxy voting is a critical component of our approach to corporate governance. We offer our clients a high degree of transparency related to the votes we cast on their behalf. Disclosure of our proxy voting guidelines and voting record can be found on our corporate website.

Shareholder proposals of an environmental or social nature have become more frequent in recent years. It is T. Rowe Price policy to take a case-by-case approach to analyzing these proposals. To do this, we utilize research reports from our external proxy advisor, company filings and sustainability reports, public research from other investors and nongovernmental organizations, our internal industry research analysts, and our in-house sustainability experts. Generally speaking, we support well-targeted proposals addressing concerns that are particularly relevant for a company's business that have not yet been adequately addressed by management. (More information on our proxy voting practices is available in our Proxy Voting Policies & Procedures document.)

APPROACH TO EXCLUSIONS

Our ESG integration process asserts that any specific environmental, social, or governance factor is just one component of the overall investment decision, which is made in tandem with other investment components such as financial analysis, valuation, macroeconomic factors, and portfolio risk management. As such, our ESG integration process doesn't yield blanket exclusions or prohibitions based solely on any specific ESG factor.

At T. Rowe Price, we implement limited sets of exclusions on our portfolios with an ESG integration mandate, which can be broken down into global exclusions, those applied to specific vehicles, or those that apply to specific strategies.

1. Global exclusions:

a) We maintain a global exclusion list on certain securities that, in our estimation, pose high risk due to their exposure to supporting governments carrying out genocide and/or crimes against humanity. The policy targets companies that exhibit a blatant disregard for due diligence on genocide and/or crimes against humanity and have repeatedly been involved in supporting governments carrying out these events.

2. Vehicle-specific exclusions:

a) For certain vehicles, we maintain an exclusion policy on certain issuers deemed to be engaged in the manufacture, production, or assembly of controversial weapons, which includes anti-personnel land mines, biological and chemical weapons, cluster munitions,

b) For certain vehicles, we maintain an exclusion policy on issuers engaged in the manufacture of tobacco products.

3. Strategy-level exclusions:

a) For our socially responsible strategies, we maintain an exclusion policy that is aligned with our clients' most common ESG concerns, which includes the following categories:

- Adult entertainment,
- Assault-style weapons for civilian use,
- Controversial weapons,
- Gambling,
- Coal,
- Tobacco, and
- Conduct-based exclusions.

b) For our impact strategies, we maintain a more extensive exclusion policy of issuers that do not align with our strategy philosophy of generating positive environmental or social impact, which include the following categories:

- Adult entertainment,
- Alcohol,
- Assault-style weapons for civilian use,
- Controversial weapons,
- Conventional weapons,
- For-profit prisons,
- Fossil fuels,
- Gambling,
- Tobacco, and
- Conduct-based exclusions.

Last, all portfolios can be subject to sanction-related exclusions. At any point in time, a portfolio may be prohibited from investing in certain sovereign or corporate instruments associated with targeted U.S. or international sanctions.

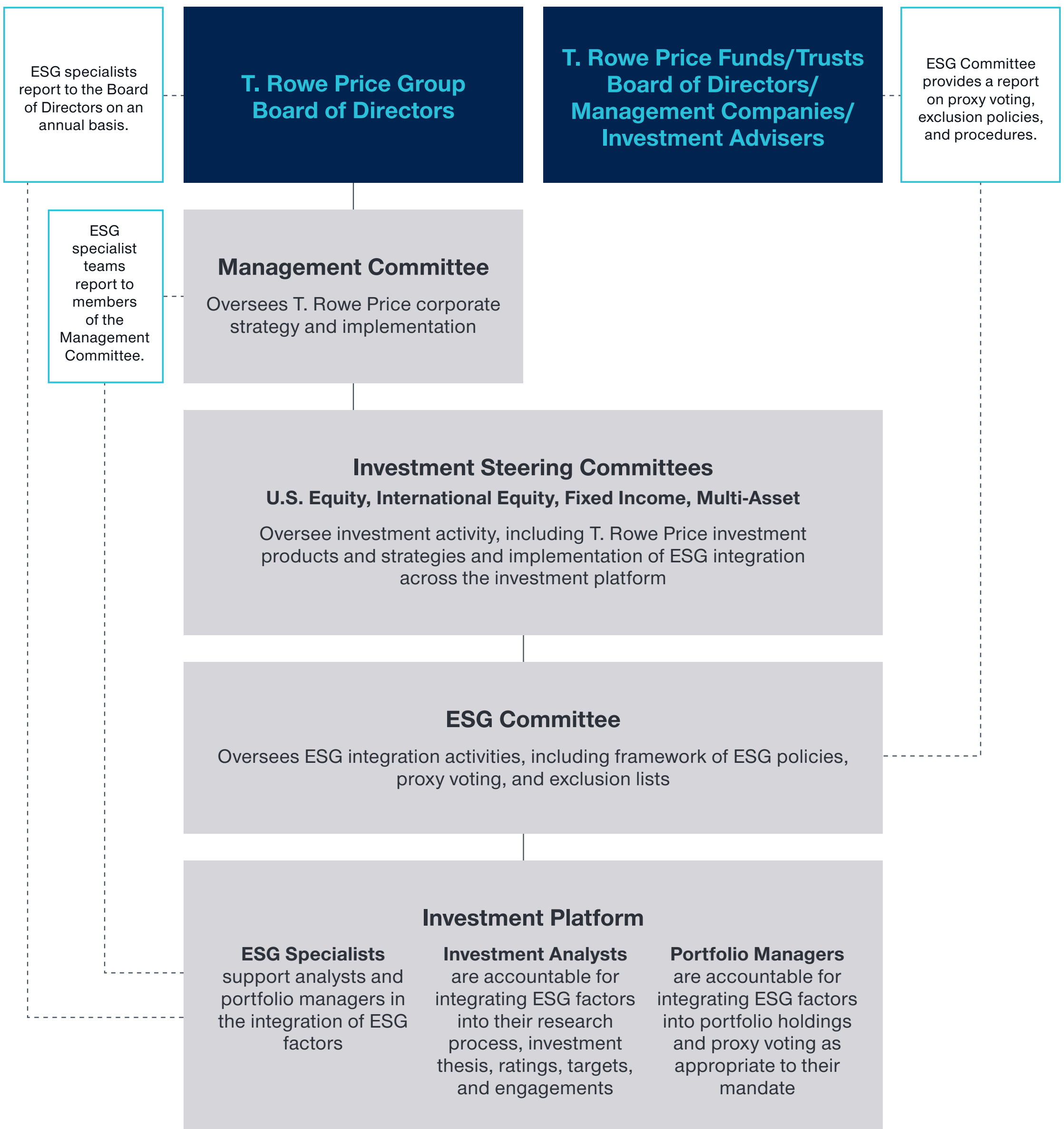
OVERSIGHT AND ACCOUNTABILITY FOR RESPONSIBLE INVESTING

The Nominating and Corporate Governance Committee of the Board of Directors of T. Rowe Price has oversight on ESG investment activity at the firm. The Board receives an update on ESG investment activities at T. Rowe Price on an annual basis (at minimum).

Oversight of our ESG policies, ESG integration, engagement, and proxy voting processes resides with the ESG Committee, which is made up of senior leaders at the firm. The ESG Committee is cochaired by the Director of Research, Responsible Investing and the Head of Corporate Governance. Its primary purpose is to assist the Equity Steering Committee, International Steering Committee, Multi-Asset Steering Committee, and Fixed Income Steering Committee of T. Rowe Price Group in establishing the firm's frameworks for:

- Assessing environmental, social, and corporate governance issues,
- Maintaining an appropriate set of proxy voting guidelines,
- Overseeing and approving exclusions lists for use in various investment capacities.

The committee regularly reports to the applicable T. Rowe Price Funds/Trusts Board of Directors, management companies, and investment advisers summarizing voting results, policies, procedures, and other noteworthy items.



MANAGEMENT OF CONFLICTS OF INTEREST

T. Rowe Price has adopted safeguards to ensure that our engagement and proxy voting activities are not influenced by interests other than those of our advisory clients. The core principles of the policy:

Individuals whose primary duties relate to client-relationship management, marketing, or sales are not permitted to participate in discussions related to engagement.

With respect to personal conflicts of interest, T. Rowe Price's Code of Ethics and Conduct requires all employees to avoid placing themselves in a compromising position in which their interests may conflict with those of our clients, and it restricts their ability to engage in certain outside business activities. Investment professionals with a personal conflict of interest regarding a particular issuer must recuse themselves and not participate in any decisions with respect to that engagement.

All of our proactive, outbound engagements are initiated by T. Rowe Price investment professionals, including analysts, portfolio managers, or our specialists in responsible investment and corporate governance. Engagement plans are assessed and executed as described in our Engagement Policy, without regard to any business relationship between the issuer and T. Rowe Price.

REPORTING ON OUR RESPONSIBLE INVESTING ACTIVITIES

On an annual basis, we publish a report that details our comprehensive ESG investment integration, company engagement, and proxy voting activities for the year. The report also delves into a number of key themes that shaped the ESG agenda for the year. To download a copy of the report or to get more information on T. Rowe Price's approach to stewardship and responsible investment, please visit troweprice.com/esg.

COLLABORATIVE ENGAGEMENT AND ALIGNING TO GLOBAL FRAMEWORKS

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 internal capabilities.

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

- Alignment
  - How closely aligned is this engagement opportunity with our investment holdings?
  - Does it include companies or other issuers where we are significant shareholders?
  - Do the members of the collaborative engagement share the same objective with the engagement?
- Impact potential
  - Do we believe there is potential for the engagement to result in a successful outcome for our clients' investment portfolios?
  - Is the intended outcome clear to all members of the collaborative engagement?
- Resource focus
  - Does the engagement make the most efficient use of our internally dedicated engagement resources?
- Practicality
  - Have we already undertaken the same engagement or very similar engagements unilaterally with success?
- Tangibility
  - Is the scope of the collaborative engagement clear, and are we confident that it will not change over time?

As an asset manager with significant assets under management, we believe we can play an important role in improving ESG disclosure and business practices on a market-wide level. As such, we have joined, or led, various industry-level initiatives aimed at facilitating opportunities for collaborative engagement, advocacy, and improving ESG disclosure and business practices. The following table details our current global memberships.

ORGANIZATION	STATUS	JOINED
Council of Institutional Investors (CII)	Associate Member	1989
Principles for Responsible Investment (PRI)	Signatory	2010
Japan Stewardship Code	Signatory	2014
Associacão Investidores no Mercado de Capitais (AMEC)	Member	2015
Asia Corporate Governance Association (ACGA)	Member	2016
UK Investor Forum	Founding Member	2016
Investor Stewardship Group (ISG)	Founding Member	2017
Japan Stewardship Initiative	Founding Member	2019
Investment Association Climate Change Working Group	Member	2020
Institutional Investors Group on Climate Change (IIGCC)	Member	2020
Emerging Markets Investors Alliance	Member	2020
Task Force on Climate-Related Financial Disclosures (TCFD)	Supporter	2020
Responsible Investment Association Australasia (RIAA)	Member	2020
FAIRR	Member	2020
Access to Medicine Index	Signatory	2021
TCFD Consortium (Japan)	Member	2021
Global Impact Investing Network (GIIN)	Member	2021
Sustainability Accounting Standards Board (SASB) Alliance	Member	2021
UN Global Compact	Signatory	2021
IMEA (Investment Management Education Alliance) ESG Committee	Member	2021
30% Club Investor Group – UK Chapter	Member	2021

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Important Information

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

The information contained herein is as of October 2021 and is subject to change without notice; these views may differ from those of other T. Rowe Price associates.

This information is not intended to reflect a current or past recommendation, investment advice of any kind, or a solicitation of an offer to buy or sell any securities or investment services. The opinions and commentary provided do not take into account the investment objectives or financial situation of any particular investor or class of investor. Investors will need to consider their own circumstances before making an investment decision.

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