T. Rowe Price®

2022 STEWARDSHIP REPORT

INVEST WITH CONFIDENCE®

Foreword

In 2022, investors saw significant market volatility and a challenging global macro backdrop. Yet, it was also a year of sustained progress for our firm.

- We established T. Rowe Price Investment Management (TRPIM) as a separate US-based Securities and Exchange Commission (SEC)-registered investment adviser with veteran investment management leadership, independent from our existing US-based adviser, T. Rowe Price Associates (TRPA).
- We progressed the integration of our newly acquired private markets platform, Oak Hill Advisors, L.P. (OHA). OHA operates as a stand-alone business within T. Rowe Price, with autonomy over its investment process, including its specialist environmental, social and governance (ESG) team.
- The global oversight and integration of ESG across our firm was strengthened with the establishment of a formal leadership structure. Our senior ESG investment leadership team includes my role as executive sponsor, the lead ESG specialists from our three investment advisers and a newly created role of head of ESG Enablement. Poppy Allonby joined T. Rowe Price and our ESG leadership team in 2022 to help execute the firm's ESG strategy by driving cross-functional consistency and coordination.
- Finally, we continued to invest in ESG resources in 2022. This was partly due to the addition of the two new advisers. TRPIM added three new associates in 2022, bringing the number of dedicated ESG resources to six and OHA contributed two ESG experts to the group. TRPA continued to grow its dedicated ESG research teams, adding seven new members in 2022; this includes a new position being established for Head of ESG for Fixed Income.

2022 Highlights

We have recorded and reported on our engagements for many years, but 2022 was the first full calendar year that TRPA has systematically tracked the targets set in our ESG engagements across our global portfolio (see Principle 9). Another key development discussed in Principle 11 was our decision to begin sharing our voting intentions around a select, illustrative set of proxy voting case studies.

We also became a signatory of the Net Zero Asset Managers initiative this year and continued to build on our proprietary, in-house tools for analysing climate risk by building a net zero status indicator. We believe it is part of our fiduciary duty to understand how our investee companies as well as sovereign, municipal and securitised bond issuers are assessing their exposure to climate change and building environmental sustainability into their long-term strategic planning. Our analysis indicates that almost the entire investment universe will feel some impacts of climate change – through revenues, sourcing, energy costs, carbon taxes, financing costs, etc. and issuers that can create economic value with a low or zero greenhouse gas footprint will generally be better positioned than their peers in a world of rising environmental regulation over a long-term investment horizon.

Global Stewardship Reporting

With this report, we have moved from a disclosure focused on the requirements of the UK Stewardship Code to a broader global Stewardship Report.

The report still demonstrates our alignment with the 2020 UK Stewardship Code. However, the 2020 code and the revised EU Shareholders' Rights Directive (SRD II) are closely linked, prescribing how asset managers should disclose information about the implementation of their engagement policies and the exercise of their voting rights. Therefore, as described in Appendix A, this report meets our disclosure obligations under both the UK code and SRD II.

In addition, we have been signatories to the Japan Stewardship Code since 2014, and we have elected to integrate reporting for that code into our 2022 Stewardship Report as well. Appendix B contains a mapping between the expectations in the Japan code and the content within this report. Additional disclosures, including a Japanese translation of this report, will subsequently be made available on our website.

Looking ahead to 2023, a number of strategic developments are planned which will allow us to further build out our ESG platform. I look forward to sharing these in next year's report.

Eric Veiel
Head of Global Equity and CIO

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PRINCIPLE 1

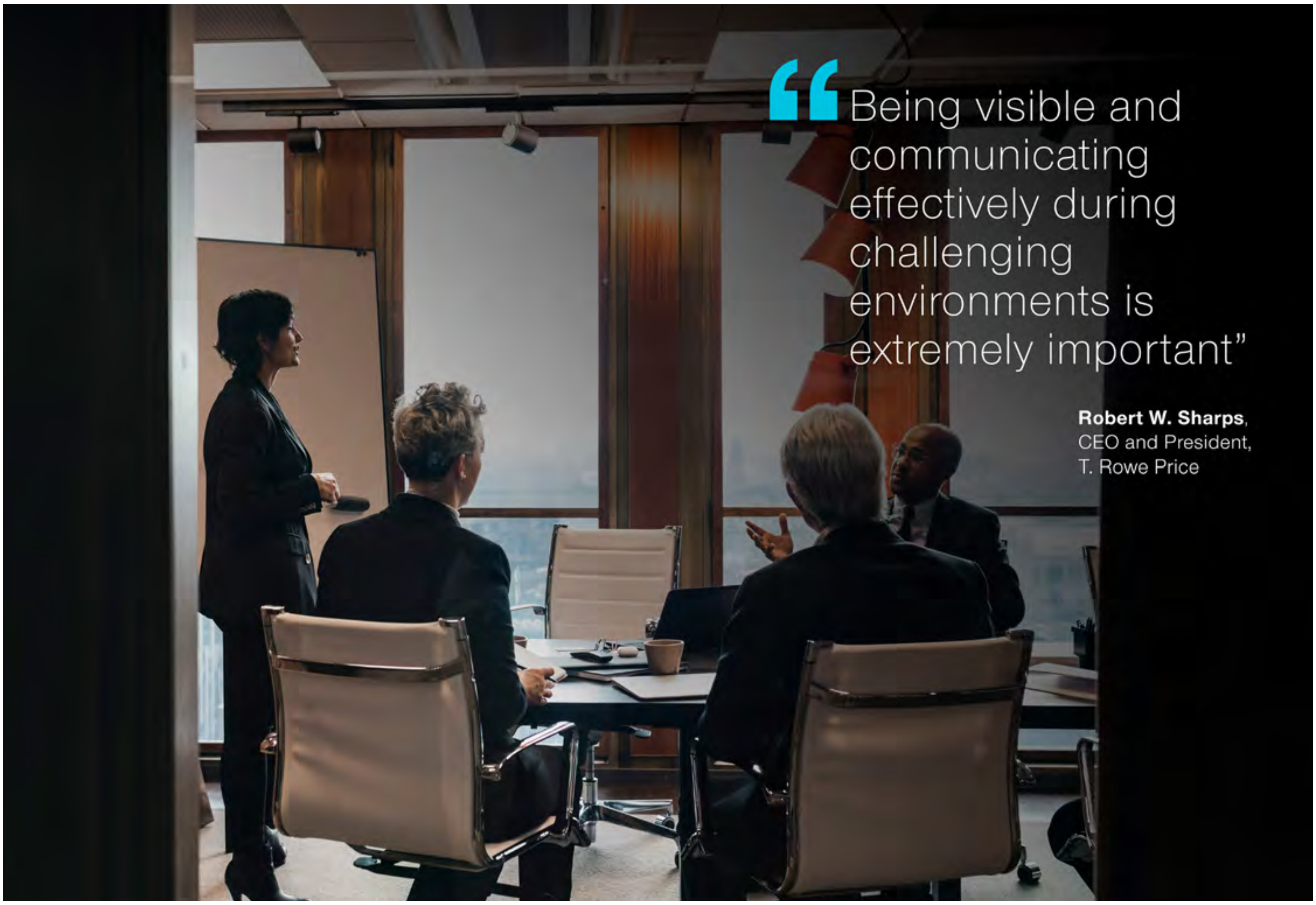
Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Our purpose and values

'At T. Rowe Price, we have one business – investments – and one purpose – to help our clients create more secure financial futures'.

Our founder, Thomas Rowe Price, Jr., said: 'Change is the investor's only certainty'. He believed that successful investors must continuously look forward, anticipate change and position themselves for the long term. His philosophy lives on in our firm today and applies not only to our investing approach, but also to the way we manage our company. As an independent global asset management firm, focused predominantly on active investment management, our core aim is to be an admirable steward of client and shareholder capital. We have a fiduciary duty to help maximise long-term returns for our clients and shareholders and a desire to bring about positive change on their behalf.

Despite the challenging markets, we continued to build on the investing approach and culture that have defined us for over 85 years. From this foundation, we've purposefully evolved to develop new capabilities and find new ways to meet our clients' most important needs – now and into the future.



Our guiding principles

Our core values and guiding principles have been integral to our activities since the firm was founded in 1937.

Rigorous research helps us identify the best ideas.

We seek to provide strong long-term returns.

Our culture of integrity puts our clients' interests first.

These are achieved, we believe, by:

Putting clients first

We take our role as a fiduciary seriously. As a matter of principle, we put our clients' interests first. To justify the trust each client places with us, we work to deeply understand their needs and find solutions to ensure those needs can be met. Our steadfast belief is that when the client succeeds, the firm succeeds.

Acting with integrity and accountability

We strive to do the right thing. Our actions are consistent with our belief that trust and candour benefit all. We honour our commitments and hold ourselves and each other accountable for achieving desired results. Success is not just about the value we create for our clients, but how we provide it.

Cultivating intellectual curiosity and innovation

The dynamics of our business and the needs of our clients require a commitment to lifelong learning. We continuously look across our global platform for opportunities and connections, remain thoughtful and alert and ask the questions that can unlock value for our clients. We spend time and resources to act on new and innovative ideas. We create forward-thinking solutions to address areas of opportunity, remain agile in implementation and seek to provide strong long-term returns.

Embracing diversity and collaboration

We seek to leverage the wisdom of multiple perspectives from our firm's associates worldwide by fostering an inclusive and collaborative environment. Our diverse global associates bring insight, engage in open debate and embrace the broad sharing of information that keeps our thinking fresh and independent. By offering and challenging our best ideas, we arrive at carefully considered, well-informed decisions for our clients.

Being disciplined and risk-aware

Being strategic, decisive and disciplined – in approach, processes and goals – enables us to provide effective and durable long-term solutions. This intellectual rigour helps us to recognise and avoid short-term fads or inappropriate business practices. However, being disciplined does not mean that we don't take risks. Being risk-aware means that we become thoughtful risk takers. We carefully assess risks and manage them to develop innovative and effective solutions.

Pursuing excellence with passion

Consistent effort and superior results for all clients is our goal. We set exacting standards because that's what our clients expect. We seek to execute with operational excellence to meet and exceed our current goals.

Key company characteristics

Foundations

- Founded in 1937; went public in 1986
- 7,868 associates worldwide (+4.5% Year-On-Year (YOY) change)
- 17 offices in local markets

Independent and stable

- Focused solely on investment management and related services
- Financial stability through a strong balance sheet
- Publicly owned company

Assets in our care

- US$1,27 trillion assets under management (AUM) (-24.5% YOY change)
- US$19.1 billion environmental, social and governance (ESG) global AUM for our pooled investment fund ranges around the world[1,2]

Global client base

- Clients and shareholders in 56 countries
- Includes many of the world's leading corporations, public retirement plans in the US, foundations, financial intermediaries, sovereign entities, global institutions and private individuals
- 34 different languages spoken by our associates firmwide[1,3]

Stable investment and leadership teams

- 942 investment professionals
- 409 research professionals
- 37 ESG investment professionals
- 20% of Management Committee based outside the US average tenure
- 17 years for portfolio managers[1]
- 14 years for our Management Committee

Global investment platform

- Active manager of investments across equity, fixed income and multi-asset solutions
- Continued investment in our global research resources with proprietary research including ESG integration
- First year with Oak Hill Advisors, L.P., an alternative credit platform, diversifying our product offering

Culture central to our success

- Collaboration. Innovation. Integrity.
- Offers our associates flexibility within a collaborative culture – vital to build a model that sustains our culture and supports the well-being of our associates
- Different perspectives, opinions and experiences are encouraged to yield the best outcomes for our clients and the firm
- Diversity, equity and inclusion (DEI) are central to our success; every employee has DEI personal goals in their objectives
- We are committed to advancing communities where our associates live and work – and beyond
- Embedding environmental sustainability in our operations, with corporate alignment with international frameworks

All data as of 31 December 2022. Oak Hill Advisors, L.P., operates as a stand-alone business within T. Rowe Price, with autonomy over its investment process, and maintains its own culture, associates and teams including its own specialist ESG team. Decisions for the OHA ESG & Sustainability team are made independently to that of TRPA or TRPIM.

[1] Excludes OHA.
[2] Assets under management for our ESG pooled investment funds from around the world. Further information can be found in Principle 6
[3] Firmwide associates have self-identified and self-reported as speaking 34 different languages.

Awards and recognition

See our website for further details.

Culture of integrity

Barron's Top 100 Most Sustainable Companies of 2022

T. Rowe Price ranked 14th on Barron's Top 100 Most Sustainable Companies list for a second consecutive year. The firm earned the second-highest score among financial services companies. The list is developed by evaluating the largest 1,000 companies in the US, based on market value, and scoring them on 230 ESG performance indicators. Reprinted with permission from *Barron's*.

2022 Best Place to Work for LGBTQ+ Equality

For the sixth consecutive year, T. Rowe Price received a perfect score on the Human Rights Campaign Foundation's Corporate Equality Index, the US nation's foremost benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality. The award was granted to T. Rowe Price Associates, Inc., and its US affiliates only.[4]

Bloomberg Gender-Equality Index (GEI)

T. Rowe Price participated in the Bloomberg GEI for the first time during the 2022 cycle. The GEI is a modified market capitalisation-weighted index that aims to track the performance of public companies committed to transparency in gender data reporting. T. Rowe Price obtained an overall GEI score of 80.33 out of 100 (98.59 for Disclosure and 72.5 for Data Excellence).

Recognition for how we invest

T. Rowe Price is best fund house at Morningstar Awards Netherlands

The Morningstar Award for Investing Excellence for Best Fund House is presented to the fund house that not only stands out for the outstanding performance of its managed mutual funds, but also, in the opinion of Morningstar's fund analysts, has an investment culture of excellence and prioritises the interests of investors first.[5]

Scope Award 2022: Best Asset Manager – Equities

For this award, the jury's conclusion of stability and consistent positive performance resulted in T. Rowe Price scoring well in the entire DACH (Germany, Austria and Switzerland) region. More than 70% of the equity funds assessed by Scope received a top rating – some of them over a period of five years. As a result, T. Rowe Price's experienced portfolio managers impressed with compelling alpha in diverse investment regions.

Refinitiv Lipper's 2022 Best Overall Large US Fund Management Group Over Three Years on March 10, 2022

This award recognises above-average risk-adjusted performance across bond, equity and mixed-asset product lineups combined. T. Rowe Price also received 24 awards for 21 funds in the Refinitiv Lipper 2022 Fund Awards. Awards at the individual fund level are bestowed for consistently strong risk-adjusted performance relative to peers over 3-, 5- and 10-year time periods.[6]

[4] 2023 BEST PLACE TO WORK FOR LGBTQ EQUALITY by Human Rights Campaign Foundation 100% Corporate Equality Index™
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[6] Refinitiv Lipper Fund Awards, ©2023 Refinitiv. All rights reserved. Used under license.

Business model, strategy and investment beliefs

Our global distribution model serves a diverse range of clients – including individuals (US only), intermediaries, institutions, consultants and plan sponsors – and demands that we continue to evolve. That means diversifying product offerings as well as building new, more effective ways to engage our clients with services, information and insights. We are relying on established strengths while taking advantage of new opportunities. Our diversified distribution model has long been a source of stability for T. Rowe Price.

Our multiyear strategic objectives, which are reviewed annually, continued in 2022 to focus on investment and growth to embed ESG and sustainability across our business, supported by a strong process orientation and effective controls. We are always seeking to become a more adaptive and agile company and to be a destination of choice for top talent with a diverse workforce and an inclusive culture. We strive to be a partner, building long-term relationships through trust in our abilities and through keeping our clients informed.

While changes in the investment and economic environment are inevitable, the basic principles that guide our business remain constant – a focus on building long-term relationships through our enduring principles of integrity, intellectual rigour and stability. Proprietary research is at the heart of our approach and extends to our ESG investment process. The key components of our investment philosophy are as follows:

Rigorous global research

Our scale and access help us collect information across asset classes, sectors and regions. Working together within a disciplined framework, our investment professionals synthesise that information into powerful investment insights – helping our managers prudently manage risk and make better decisions for our clients' investments. This is our strategic investing approach.

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 across our investment products, where applicable. 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. Our in-house ESG specialists provide quantitative tools and research to support analysts and portfolio managers to help identify the ESG issues that they believe matter most. See Principle 7 for integration and Principle 5 for our policies and processes.

Deep experience

Our investment teams are driven by a passion for exploration and understanding. They leverage our firm's size, resources and rigorous proprietary research to go deeper. Collaboration, diverse thinking and healthy debate are deeply ingrained into the T. Rowe Price culture. We believe looking at investment opportunities from multiple perspectives is the most reliable way to reveal their true potential.

Long-term 'forward looking' view

Doing what is in the best interest of our clients is so deeply rooted in our culture that it is innate to us. We take a long-term active investment management approach, using 360-degree perspectives – we invest for the client's long-term needs, not short-term targets. For more on how we work with our clients, see Principle 6.

Prudent risk management

Combined with a thorough macro-understanding of markets and sectors, our 'bottom up' approach to proprietary research forms the foundation for thousands of investment decisions enabling us to understand the true value and possible risks for our clients. We understand geopolitical, market and economic factors and react to them opportunistically – even defensively – when necessary. We carefully manage risk and seek to maximise value over longer-term horizons.

We believe that ESG issues influence investment risk and return, and we incorporate them into our fundamental investment analysis. Our analysts and portfolio managers are responsible for implementation. It is the portfolio managers' responsibility to incorporate ESG risk analysis, as appropriate to their strategy, into the investment decision. Consideration of the full spectrum of risks most applicable to a given investment is reflected in our analysts' ultimate recommendations on an issuer's securities. Depending on the strategy, portfolio managers may apply extra layers of implementation by screening their portfolios for ESG issues on a periodic basis.

Examples of how we consider ESG in our investment decisions and engagement activities are provided in Principles 4, 7, 9, 10, 11 and 12.

2022 strategic priorities – notable developments

We are committed to using our long heritage of deep fundamental research and position of responsibility to understand and identify positive change for our clients, employees (associates) and society. In 2022, this commitment has been demonstrated in a multitude of ways:

Firmwide ESG leadership team

In 2021, Eric Veiel, head of Global Equity and chief investment officer, took on lead oversight of all aspects of ESG within T. Rowe Price. This year, global oversight and integration of ESG across our firm came together formally with the establishment of senior ESG investment leadership team, which brings together ESG specialists from across our investment adviser T. Rowe Price Associates, Inc., together with our newly established adviser T. Rowe Price Investment Management, Inc., and newly acquired adviser Oak Hill Advisors, L.P.

In June 2022, Poppy Allonby joined the ESG leadership team in her role as head of ESG Enablement, reporting to Eric Veiel. Poppy and her team will help execute the firm's ESG strategy, driving cross-functional consistency and coordination. Her role is not aligned to any specific investment adviser platform, as her team oversees the firm's corporate ESG positioning, global ESG product range, regulatory engagement and go-to-market approach. See Principle 2 for further details.

Successfully launched T. Rowe Price Investment Management

On 7 March 2022, we established T. Rowe Price Investment Management as a separate US-based Securities and Exchange Commission-registered investment adviser with veteran investment management leadership, distinct from the firm's existing US-based SEC-registered investment adviser TRPA. The launch of TRPIM supports the firm's continual focus on generating strong investment results for clients. TRPIM took over the management of accounting for US$166.56B AUM (as of 30 June 2022). There were no portfolio manager changes associated with this transition and no change in the day-to-day management of our clients' assets.

Over time, having two distinct investment platforms with independent research teams will allow us to generate new capacity while retaining our scale benefits and position our investment teams for continued success. Aligning the strategies in this way across two distinct investment platforms will give the firm's US equity strategies increased flexibility to own more of certain holdings and maximise capacity for both TRPIM and TRPA, while maintaining the firm's investment culture at both entities. TRPIM has also established its own separate ESG team using a similar approach, framework and investment philosophy to TRPA, but with investment decisions made completely independently.

Broadened our private markets platform with Oak Hill Advisors, L.P.

On 29 December 2021, we acquired OHA, an experienced investor in the alternative credit markets, with US$57 billion of assets under management (as of 31 December 2022) across its Private Credit Strategies, Public Credit Strategies and Structured Credit Strategies. This acquisition broadens our private markets business and adds new capabilities in an area of tremendous client interest and growth.

Both OHA and T. Rowe Price share common corporate values and a commitment to delivering outstanding investment performance and client service.

OHA operates as a stand-alone business within T. Rowe Price, with autonomy over its investment process, and maintains its own culture, associates and teams including its own specialist ESG team. Glenn August, founder and chief executive officer of OHA, continues in his current role and has joined T. Rowe Price's Board of Directors and Management Committee, effective 30 December 2021.

Please note, the information provided in this report and related materials does not include content relating to OHA, with the exception of how OHA fits within our governance structure in Principle 2 and inclusion of OHA AUM in Principles 1 and 6. To learn more about OHA, please visit oakhilladvisors.com.

When selecting examples, it was also a consideration that TRPIM had only been in existence for a few months. Thus, we excluded non-public OHA and TRPIM content from our 2022 Stewardship Report after thoughtful consideration. Information barriers are in place across all our investment platforms to prevent the inadvertent flow of confidential investment and research information between the advisers. See Principle 5 for details.

T. Rowe Price study and insights on strategic investing: active versus passive

In 2022 we conducted studies to assess active versus passive investing. In simple terms, this is where active investors attempt to outperform the returns of a specific benchmark, whereas passive investors accept the market return by tracking a specific index.

The studies help provide a better understanding of how our active style of investing may be impacted during bull markets, when, broadly, the economy is more stable and on the rise, or the bear markets – as we are currently said to be in – where economies are more volatile and uncertain, and the value of companies' stocks have been declining.

The studies looked across T. Rowe Price's longest-running actively managed 1940 Investment Company Act (40 Act) US mutual funds and global (ex US) Société d'Investissement à Capital Variable (SICAV) fund ranges to:

- Measure the value added by T. Rowe Price's strategic investing approach by comparing the performance of the firm's actively managed funds with their passive fund peers' average performance
- Provide a picture of active versus passive investing across different market conditions over 1-, 3-, 5-, and 10-year horizons, rolled monthly – giving clear long-term insights
- Performance return results were shown after fees and expenses

It should be noted that past performance is not a reliable indicator of future performance. The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

Our studies found that when taking a long-term view – as our analysis examined rolling 10-year periods, our active funds have:

(1) delivered better returns on average on the initial investment than comparable passive peers, across more rolling investment periods; and

(2) beat comparable passive funds more frequently

Professional investors can find information on the methodology and further details for this research by speaking with their local relationship manager.

ESG product launches and product enhancements

Product management and product development are ongoing to continually assess and review the suitability of our offering. The inclusion of more ESG products to our offering has continued to be a key request from our clients, see our ESG survey findings in Principle 6.

Below are highlights of product launches and developments as we grew or evolved across our offering to reflect European Sustainable Finance Disclosure Regulation (SFDR), which is a European regulation introduced to improve transparency in the market for sustainable investment and reflect client demands for products that align more to their ethical and environmental values. These developments also support demands for these types of products from our clients, as noted in Principle 6.

Product launches:

- A global credit fixed income impact fund, classified SFDR article 9 to our SICAV range and was also launched for clients in the UK in their local investment vehicle; and
- A US equity impact fund, classified article 9 under SFDR into our SICAV range

Product enhancements:

- Enhanced SFDR Article 8 product propositions with equity, corporate bond and multi-asset portfolios that will formally commit to investing at least 10% of the values of their portfolios in sustainable investments; and
- Portfolios which invest predominantly in sovereigns, that primarily comprise non-corporate debt, including municipal and securitised debt securities must meet a minimum threshold of 50% alignment to Green rated securities in our Responsible Investing Indicator Model (RIIM) to be classified as an Article 8 product.
- As part of an ongoing evolution of our SICAV investment proposition, effective from 1 October 2022, 26 funds were enhanced and classified as Article 8 under SFDR.
- At year-end, 78% of our SICAV fund range (a total of 52 funds) were classified as Article 8, reflecting each portfolio's commitment to positive environmental and/or social characteristics.

With asset flows into ESG products growing, regulators around the world are increasingly concerned about greenwashing. Building on the recommendations of the International Organization of Securities Commissions (IOSCO), national regulators are adding new rules or revising the existing laws regarding the ESG fund names and product disclosures. Our regional and local legal, policy, product, compliance, investing and business teams have been responding to such consultations directly or through our trade associations. In the UK, our teams responded to the UK Financial Conduct Authority's consultation paper on Sustainability Disclosure Requirements (SDR) and investment labels, a comprehensive proposal on sustainable investment labels, consumer-facing disclosures, more in-depth disclosures, naming and marketing rules, requirement for distributors and a general anti-greenwashing rule.

Client ESG reporting

- In 2022, we published our inaugural Global Impact Equity and Global Impact Credit annual investment reports for these strategies.
- We enhanced our fund-level Carbon Footprint Reports with scope 3 across our SICAV and Open-Ended Investment Companies (OEIC) funds. These reports are part of our suite of ESG reporting for our funds which includes Proxy Voting Summary, Carbon Footprint Analysis and ESG fund reports.

T. Rowe Price Associates, Inc., proxy voting enhancements

In 2022, we implemented two enhancements to our policies on director re-elections, with the objective of strengthening the link between key ESG concerns and director accountability.

The first enhancement is intended to encourage the adoption of annual elections for all directors at mature companies in the US.

The second enhancement is the introduction of our climate transparency gap voting policy. In 2022, we voted against incumbent non-executives at companies in sectors with significant exposure to climate risk who are not disclosing their annual direct greenhouse gas emissions totals.

There were also market-specific changes, such as the stricter policy on director independence in Japan and the implementation of the single-gender boards voting policy for the full calendar year.

In a typical year, T. Rowe Price votes against the re-election of a few thousand directors across our global equity-focused portfolios due to governance or performance concerns. The policy enhancements outlined above, alongside other market-specific changes, resulted in an increase in votes against directors globally, prompting us to oppose an additional 1,063 directors across our three voting regions in 2022. These changes drove an overall drop in our support for uncontested director elections from 91.2% in 2021 to 88.5% this year.

The Net Zero Asset Managers initiative

T. Rowe Price remains committed as a global corporation and a fiduciary for our clients and shareholders to responsible investing. As of 25 April 2022, T. Rowe Price become a signatory of the Net Zero Asset Managers initiative.

To learn more about our efforts to embed sustainability into our business in our ESG Corporate Annual Report and our commitment as an investment manager to net zero goals in our ESG Investing Annual Report, visit our corporate website here.

Our ESG journey

As of 31 December 2022.

[7] The PRI is an independent investor initiative supported by, but not part of, the United Nations.
[8] RIIM = Responsible Investing Indicator Model.
[9] T. Rowe Price Investment Management, Inc. (TRPIM).
[10] T. Rowe Price Associates, Inc. (TRPA).
Not all vehicles are available in all jurisdictions.

Our people and our culture

We believe our people set us apart. We thrive because our company's culture is based on collaboration and diversity, enabling us to identify opportunities others might overlook. Our associates' knowledge, insight, enthusiasm and creativity are the reasons our clients succeed – and our firm excels. In this section, we have provided highlights related to our firm's sustainability targets and progress across environmental, social and governance factors. Further detail can also be found in our ESG Corporate Annual Report.

Our associates drive our success

We strive for equity, opportunity and equality for all associates at the firm. Having a diverse and inclusive workforce and providing an equal opportunity to all associates is a business and cultural imperative in today's dynamic business environment. Our Management Committee and Board of Directors ensure we are setting ambitious standards for the way we recruit, hire, mentor and develop talent. We are prioritising increased hiring, retention and development of talent from under-represented groups in asset management. This includes both ethnically diverse associates and women.

Our 2021 priorities have positioned us for success and have provided the framework for the next stages of our diversity, equity and inclusion strategy. In 2022 our focus was to improve and equip through:

- Focus on leaders as mentors, sponsors and active allies
- Maximise associate engagement while demonstrating behaviours that attract and retain talent
- Foster an inclusive culture while providing a balanced workforce that accelerates company growth

In 2022:

- 23% of our investment professionals globally were women (same as in 2021)
- Firmwide, 66% of new hires were either women or ethnically diverse (consistent with 2021)
- For every open senior role at the firm, our goal is that at least 30% of the candidates interviewed will be ethnically diverse and/or women, and during 2022, 65.5% of the candidates were ethnically diverse or women

Looking ahead, we are holding ourselves accountable to advance progress and have set goals to increase the diversity of our global workforce from 44% women in 2021 to 46% women in 2025, while also increasing representation in senior roles from 29% in 2021 to 33% in 2025.

Diversity, equity and inclusion

T. Rowe Price emphasises a positive, welcoming and collaborative culture where associates are encouraged to be themselves and bring their whole selves to work. We want our associates to draw from their experiences and take the initiative to help our clients succeed. Our Diversity, Equity and Inclusion Steering Committee meets bimonthly to discuss progress on specific diversity and inclusion initiatives and related challenges and concerns.

We believe a key component of combating racial inequality and injustice is greater representation of ethnically diverse people in all areas of society and business – including at T. Rowe Price.

2022 Diversity, equity and inclusion global population

Global firmwide gender representation (base total of 7,496)*	Female	44.8%
	Male	55.1%
	Did not disclose	<1%

% of our global population that were women or ethnically diverse	Diverse	Non-diverse
Board of Directors (13)	46%	54%
Firmwide (7,496)	58%	42%
Senior leaders	43%	57%

* All data as of 31 December 2022. Excludes OHA.

Case study: Supporting female talent

The Women in Sales, Technology and Investments programmes are part of a multi-year business unit-led initiative focused on pursuing a gender-inclusive culture within Investments to attract, develop and retain female talent and increase female representation.

These programmes focus on increasing representation and developing female talent through research-driven solutions to solve for the barriers and challenges women face within our industry, within specific disciplines and within their career journey. These include professional growth programmes like sales executive coaching circles, inclusive leadership competencies and supporting caregivers by examining our planned leave approach and specialised parental and career break transition support.

We continue this momentum as we look to expand our returner programme, explore our inclusive policies and continue to review opportunities to balance representation through robust succession planning and strategic appointments.

Associate-led DEI initiatives via our BRGs

Our business resource groups (BRGs) – MOSAIC, PRIDE, WAVE and VALOR – provide important perspectives that help shape our company culture, especially in recruitment, talent acquisition and retention. At the end of 2022, 51% of associates were members of at least one BRG, which represents an 8% increase compared with 2021.

These groups provide valuable information and support programs to reinforce our inclusive culture, support career development, strengthen our brand in the community and provide insights on delivering our services in the marketplace. Our BRGs are open to all associates.

In 2022:

- T. Rowe Price hosted 'Diversity Dialogues' to support our associates and create allies in the workplace
- We hosted an Associate Network Fair to promote BRG memberships
- Our Management Committee formed a Black Leadership Council. Sponsored by CEO Rob Sharps and composed of 16 Black associates serving in leadership roles, the council is charged with four priorities: (1) Advise Leadership, (2) Support DEI Initiatives, (3) Mentor Talent and (4) Engage Community.

MOSAIC @ T. Rowe Price	Our ethnicity business resource group, MOSAIC, was expanded to EMEA in late 2020 and has since been an important channel for representing the views of our ethnic minority community and supporting the education of allies. MOSAIC helped set up mentoring circles to support the development of our ethnic minority associates. All surveyed participants indicated they would recommend the programme to a colleague. Continuing the career development theme, MOSAIC also hosted a panel discussion with three senior business leaders who shared their career journeys and advice on managing your career successfully. We publicly signed up to the Race at Work Charter in the UK, having sought input from the MOSAIC committee on making this commitment.
PRIDE @ T. Rowe Price	PRIDE is our business resource group for LGBTQ+ associates and allies. Its mission is to create an environment where LGBTQ+ associates can bring their full selves to work each day. Our EMEA group marked Bi Visibility Week by hosting a panel event with LGBT Great that featured one of our Luxembourg associates joining the panel to discuss issues of bi-erasure and opportunities to demonstrate allyship towards this community. We also celebrated Pink Dot in Hong Kong and PRIDE with parades in the US, UK and Luxembourg. PRIDE EMEA cochairs Roberto Rocha and Matthias Schmidt were recognised in LGBT Great's Top 100 Gamechangers.
wave @ T. Rowe Price	WAVE, our business resource group for women and allies, supports the firm by increasing the recruitment, development, advancement and retention of women and cultivating a culture that fosters gender balance and inclusion. Our WAVE EMEA chapter ran several events, including a viewing party for our International Women's Day speaker event, and produced a series of videos showcasing leaders talking about their experience of breaking bias, managing childcare and work. We hosted, during Women's Health Awareness Month in October, an expert session led by a GP with a special interest in women's health to raise awareness of menopause and eliminate the taboo surrounding this natural life stage.
VALOR @ T. Rowe Price	VALOR's mission is to attract veterans and active reservists to the wide variety of roles available at T. Rowe Price and to make sure they and their families are supported. Our US-based VALOR BRG hosted events focussed on (1) veteran homelessness and mental health to mark Veterans Day in the US (2) military history with our firm historian and (3) service beyond the uniform with a speaker event featuring Army Veteran and Merging Vets and Players founder Nate Boyer. Twenty-six VALOR members supported Wreaths Across America Day in Maryland and Colorado Springs, honouring the fallen by placing wreaths on graves in local veteran cemeteries. VALOR also raised money for the Stop Soldier Suicide charity through its annual Ruck March. In 2022, nearly 400 associates, including all of our Management Committee, participated in the Ruck March which raised over US$98k for the charity's work to reduce veteran suicide rates.

Supporting our associates

In all our global locations, we offer employee benefit solutions, including both health care and retirement benefits (where applicable), fitness club reimbursement, life insurance, tuition assistance and Degreed (an upskilling platform that connects learning, talent development and internal mobility opportunities in one place, available globally) and an Employee Assistance Program to support well-being.

Benefit competitiveness and design is assessed within the relevant market for a given country, and offerings are aligned with our global principles and local market practice. For example, retirement programmes are uniquely designed to support associates in meeting retirement goals while also reflecting regional and country-specific practices in Asia, Europe and the US. A robust benefits program is invaluable in today's competitive workforce. Additional benefits offered to our associates in 2022 included:

- In July, a third of associates received a 4% salary increase to reflect the increasing cost of living, which included new associates.
- Due to the success of our associates' ability to work remotely, we offered most associates the choice of working from home up to two days per week.
- For the third year, the firm continued offering wellness days in addition to all associates' annual leave allocation.
- Associates were offered the opportunity to work from home or request to work from an approved remote work location during traditionally quieter times of the year. This was for a week during summer and an additional two weeks in November/December over holiday periods in 2022.
- Associates and their families can now take advantage of the firm's corporate travel discounts and rates when booking getaways or holidays.
- Following the invasion of Ukraine, we activated the Employee Assistance Program to support associates through this challenging time, should they need it. Associates across our global business can access employee assistance at any time, it provides associates and their families with anytime, anywhere access to confidential professional counselling, information and resources to help resolve challenges they face.
- We launched a new mentoring platform, Mentorcliq in 2022 to provide a broader range of associates with access to mentoring support from a colleague in their team, office or another part of the global firm. In addition to this, we continued to support the development of women through the cross-company Moving Ahead Mission Gender Equity programme and the launch of a new internal Aspire program in the UK.

T. Rowe Price uses associate feedback to inform firmwide decision-making. We conduct an engagement survey, pulse surveys and focus groups to gather associate insights. We are committed to establishing a culture of open and transparent dialogue between the firm and our associates that enables multiple opportunities for collecting and acting on quality feedback to inform leadership's ability to optimise the associate experience and to make appropriate business decisions. Our last firmwide employee survey was administered in 2022, which found we have an engaged and motivated workforce with a shared commitment to put clients first.

T. Rowe Price ESG Corporate Annual Report highlights

ESG disclosure frameworks and alignment with international frameworks

T. Rowe Price is a public sponsor of the Task Force on Climate-Related Disclosures (TCFD) and is a member of The International Financial Reporting Standards (IFRS) Sustainability Alliance, which is affiliated with the IFRS Foundation and oversees the Sustainability Accounting Standards Board (SASB) Alliance. Furthermore, Maria Elena Drew, director of Responsible Investing for T. Rowe Price Associates, and Chris Whitehouse, head of ESG for T. Rowe Price Investment Management, are members of the SASB Investor Advisory Group.

T. Rowe Price is also a signatory of the United Nations Global Compact (UNGC) and supports its Sustainable Development Goals (SDGs). We believe that we are well positioned to advance progress of the SDGs and have identified four goals where T. Rowe Price has the greatest potential for impact: Quality Education (SDG4), Gender Equality (SDG5), Decent Work and Economic Growth (SDG8) and Climate Action (SDG13). Further details can be found at troweprice.com/CorporateESG.

Environmental sustainability

Transitioning to a net zero carbon and circular economy starts with our associates and offices, and we strive to use renewable energy where we operate and design-out waste before it is even generated. We recognise the urgency to address climate change and support the transition to net zero carbon economy in alignment with climate science to limit the increase of global temperature to 1.5˚C. Our goal is to achieve net zero in scopes 1 and 2[11] greenhouse gas emissions by 2040. Within scope 3, where our ability to reduce emissions is limited, we will use offsets to work towards neutralising the impact of our emissions. Currently, employee business travel represents the largest portion our reported scope 3 emissions.

Beginning in 2022, we partnered with Climate Vault, an award-winning charity, to neutralise our emissions by purchasing and 'vaulting' carbon allowances on US government-regulated compliance markets. We aim to set stringent sustainability goals that will be incorporated into our real estate portfolio. One specific goal is to achieve zero waste in our operations by 2025. Additionally, we have set a goal for our operations is to phase out all single-use plastics by 2025.

Our path forward

Environmental	Phase out all single-use plastics from our facilities, with the goal of eliminating all single-use plastics by year-end 2025.	Achieve zero waste at a real estate portfolio level by year-end 2025.	Pursue the environmental certification of at least 60% of our global real estate by 2025.
Social	By 2025, increase the diversity of our global workforce to 46% women and the diversity of our US workforce to 19% underrepresented minorities.	Aim to spend US$50 million with diverse-owned and small disadvantage-owned businesses in the US by 2025 annually.	
Governance	Work with clients who are interested in net zero emission goals for their portfolios to develop a decarbonisation plan.		

Additional information on T. Rowe Price's ESG-related programmes and policies, and our commitment to our clients, associates and communities is available on the T. Rowe Price corporate website: troweprice.com/CorporateESG.

[11] 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).

Our 2022 Community Snapshot

Our approach to supporting community focuses on expanding opportunities for all.
We expand opportunities for all by breaking down barriers to advance growth, learning, and uplifting one another in the community. Our efforts come to life through financial support, service, and collaboration.

Opportunity For All

Learn. Grow. Uplift.

#TRowePriceInCommunity

15.5M people reached through financial education programs[12]

$24.4M USD total firm giving to communities[13]

All data is as of December 31, 2022, unless otherwise stated.

[12] Total reach of websites, exhibits, programs with global distribution partners, and sponsored events since program inception in 2009.

[13] Includes direct grants, matching gifts, associate donations, Corporate Social Responsibility sponsorships, and community and business memberships.

$500K USD donation to the United Nations Foundation's Ukraine Humanitarian Fund

$170.2M USD total given by the T. Rowe Price Foundation since inception (1981)

Our Accomplishments

Spotlight on skillCONNECT

Continuing our commitment to advancing equity in the community, we partner with Business Volunteers Maryland to host skillCONNECT, a scope-a-thon supporting grassroots nonprofits focused on service to diverse communities.

During skillCONNECT events, our associate volunteers bring their expertise and ideas to help nonprofits navigate business challenges related to strategic planning, finance, fundraising, human resources, marketing, and more. In 2022, we provided 240 hours and over $46,000 in pro bono consulting services through skillCONNECT.

Giving

- $6.4M USD in matching gifts[14]
- $15.8M USD total given by associates through the workplace[15]
- 292 grants given by the T. Rowe Price Foundation
- $12.8M USD total given by the T. Rowe Price Foundation
- $6.5M USD in direct grants

Serving

- 28,700 hours volunteered by associates globally
- 368 associates serving on nonprofit boards
- 440 nonprofits with T. Rowe Price associates serving on their boards
- 7,000 participants and 830+ unique organizations have participated in the T. Rowe Price Foundation's Capacity Building program since 2016.

[14] Includes matching gifts from the T. Rowe Price Foundation for U.S. associates and matching gifts from T. Rowe Price International Ltd for international associates.
[15] Includes donations made directly through the firm's giving platform and donations submitted for matching gifts.
Data represent the 2022 calendar year or are as of December 31, 2022.

Closing Reflection

The last few years have been challenging for investors around the world, with the ongoing global pandemic, geopolitical uncertainties, rising inflation and higher interest rates. Despite these challenges, we maintained our distinctive culture and investment beliefs as we welcomed Oak Hill Advisors into the T. Rowe Price Group and established T. Rowe Price Investment Management as a stand-alone adviser. Looking forward into 2023, the formation of a central ESG enablement function will help us ensure we continue to meet our clients' and other stakeholders' expectations.

PRINCIPLE 2

Signatories' governance, resources and incentives support stewardship.

Robust governance structures and processes

Our governance structure is designed to protect the interests of shareholders in T. Rowe Price Group (Group) and our clients by establishing separate boards of directors for the firm and for our investment funds or trusts. The interests of our corporate shareholders are distinct from those of investment clients, so we have board structures to represent the interests of both groups.

The T. Rowe Price Group, Inc., Board of Directors (Board) strives for excellence for all our clients, ensuring that our policies, practices and actions reflect the highest levels of ethics and integrity. The group structure is complex, and there are several regional subsidiaries, each of which has its own board with a good understanding of local client and regulatory expectations.

2022 stewardship reporting and review process

We reviewed the sign-off process for our 2021 stewardship report to identify the lessons learned, so these could be applied to the sign-off of the 2022 report. This is discussed in more detail under Principle 5.

The Board oversees the operations of the corporate entity, and it has delegated ESG oversight to its Nominating and Corporate Governance Committee (NCGC) pursuant to the NCGC Charter. The Nominating and Corporate Governance Committee of the T. Rowe Price Group Board remains the signing entity for the 2022 report; it is staffed with fully independent non-executive directors. One change to the streamlined process for 2022 was that the approval of the TRPIL board would not be required for the 2022 report, and only one member of our Chief Investment Officer Group would review and sign off the document. The NCGC approved the filing of the document subject to its prior review by the TRPA ESG Committee.

For the purpose of this report, we have provided a global overview from across our group and have reported on activities, where relevant across both our investment advisers TRPA and TRPIM, as introduced in Principle 1. However, as OHA is a separate entity from T. Rowe Price, it has only been featured at the group level. Also, where appropriate, we have provided greater regional insights for EMEA in Principle 6 asset class breakdowns.

T. Rowe Price Group, Inc., Board of Directors

Group photo as of Q2 2022.
For further details on our Board and committees, visit our corporate website here.

- A skilled Board of Directors ensures strong governance.
- Our Board governance encompasses the responsible and proactive management of our environmental and social issues.
- Our Board of Directors and their oversight of sustainability issues impact the creation of long-term value for our clients and stakeholders.
- The Nominating and Corporate Governance Committee monitors performance objectives and progress against our climate-related targets.
- In 2022, the NCGC received biannual updates on corporate ESG activities.

Accountability for ESG starts at the top

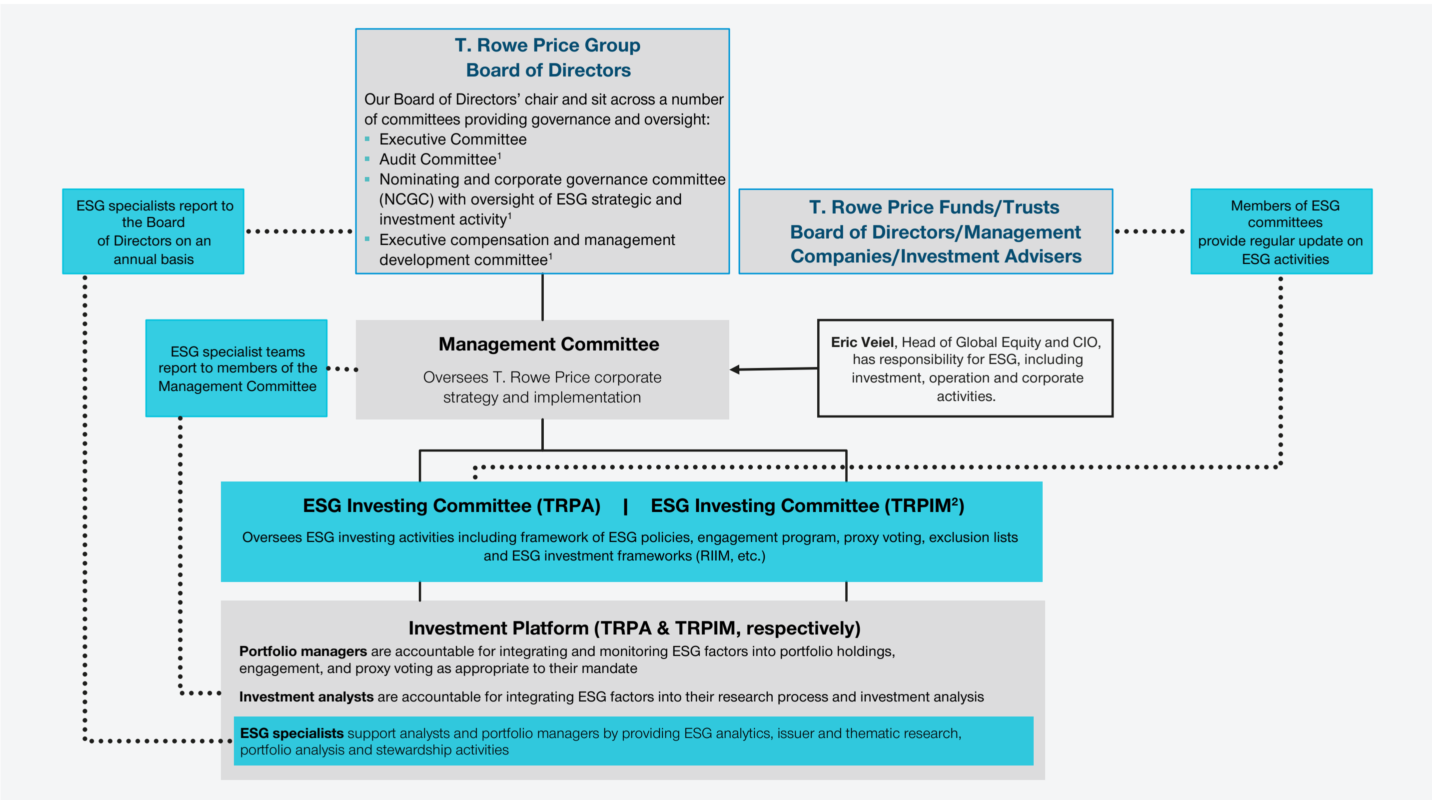
T. Rowe Price Group, Inc., is a financial service holding company that provides global investment management services through its subsidiaries to investors worldwide. Group provides an array of US mutual funds, subadvised funds, separately managed accounts, collective investment trusts and other T. Rowe Price products. Group subsidiaries providing investment management services are primarily T. Rowe Price Associates, Inc., which is a wholly owned subsidiary of Group, and T. Rowe Price Investment Management, Inc., which is a wholly owned subsidiary of TRPA. In addition, Oak Hill Advisors, L.P., and its affiliates also provide investment management services for Group. OHA is a subsidiary of TRPA.

Each of the subsidiaries (known as our investment advisers) operate independently with their own investment platforms, have senior management representatives on their investment management steering committees and ESG Committees.

Executive management ESG leadership

As reported in 2021, Eric Veiel, head of Global Equity and chief investment officer, has senior management responsibility for our ESG efforts, serving on our Management Committee. He is also chair of the Investment Management Steering Committee (IMSC), member of the Management Committee, Equity Steering Committee, International Steering Committee, Multi-Asset Steering Committee, Product Steering Committee and Management Compensation and Development Committees. Eric is also a member of the board of the T. Rowe Price Funds. He also serves as the executive sponsor of WAVE, T. Rowe Price's business resource group whose mission is to champion a culture of confident female leaders who will serve as agents of change to influence firm policy, promote active allyship for gender equity and nurture a strong talent pipeline, enriching the overall associate experience (see Principle 1).

T. Rowe Price Boards and Committees



[1] Independent non-executive Board members only.
[2] T. Rowe Price Investment Management, Inc. (TRPIM) was established as a separately registered US investment adviser, with a separate ESG team to T. Rowe Price Associates, Inc (TRPA). Decisions for TRPA and TRPIM ESG teams are made completely independently, but use a similar approach, framework and philosophy.

Firmwide ESG infrastructure evolved in 2022

Our firmwide ESG infrastructure brings together dedicated ESG leadership specialists from across our investment platforms – TRPA, TRPIM and OHA – alongside our newly established ESG enablement team, which provides a consistent vision and our global ESG strategy while bringing greater resources and accountability to our approach across both corporate ESG and Investments.

Appointment of ESG enablement leadership

In June, Poppy Allonby joined the ESG Leadership Team to help execute the firm's ESG strategy and drive cross-functional consistency and coordination. Poppy is not aligned to any of our investment advisers, but joins the ESG leadership team to work alongside and partner with team Chair Maria Elena Drew, director of research for Responsible Investing; Donna Anderson, head of Corporate Governance at TRPA; Chris Whitehouse, head of ESG at TRPIM and Jeff Cohen, managing director, head of ESG & Sustainability at OHA.

In her role, Poppy will be serving as primary liaison between all business functions responsible for advancing our ESG strategy (legal, product, technology, and marketing, as just a few examples) and driving cross-functional consistency and coordination. Poppy will oversee the firm's corporate ESG team, global ESG product range, regulatory engagement and go-to-market approach. She is based in London and reports to Eric Veiel, head of Global Equity and CIO. The addition of Poppy further enhances our global oversight and integration of ESG across our businesses.

Eric Veiel
Head of Global Equity and CIO
Member of Management Committee

ESG Leadership Team

CHAIR

Maria Elena Drew,
Director of Research,
Responsible Investing

Donna Anderson
Head of Governance

Poppy Allonby
Head of ESG
Enablement

Chris Whitehouse
Head of ESG
(TRPIM)

Jeff Cohen
Head of ESG &
Sustainability (OHA)[2]

ESG Enablement Team

Véronique Chapplow
ESG Investment
Specialist

Anna Driggs
Managing Legal
Counsel (ESG)

Ulla Pitha
Head of ESG Product,
Strategy, and Analytics

Zoe Godfrey
Head of ESG Marketing
and Communications

Gabriela Infante
Director,
Corporate ESG

Baltimore Associate | London Associate | Washington Associate | New York Associate | dotted reporting line

ESG full-time employees			
Investment Staff	37	ESG Technology	15
Responsible Investing	16	ESG Enablement	8
Governance	4	Other Operations[5]	5
Regulatory Research	1		
Impact Team	6		
Investment Specialists Group	2		
TRPIM ESG	6	Total ESG FTEs[6]	65
OHA ESG & Sustainability[4]	2		

As of 31 December 2022.

[3] TRPIM was established as a separately registered US investment adviser, with a separate ESG team from TRPA. Decisions for TRPA and TRPIM ESG teams are made completely independently, but use a similar approach, framework and philosophy.
[4] OHA – Oak Hill Advisors, a T. Rowe Price company since 31 December 2021. The OHA ESG & Sustainability team is separate from TRPA and TRPIM and decisions for the OHA ESG & Sustainability team are made independently.
[5] Proxy voting, Investment and Product Content (IPC), Global Client Investment Reporting (GCIR), and ESG education.
[6] FTEs: Full-time employees.

Overview of ESG management responsibilities

Annually, our Board of Directors receives an update on our ESG strategy and investment activity; oversight is provided by our Nominating and Corporate Governance Committee, who are wholly independent members of our Board.

Level of Seniority	Responsibility
ESG leadership team	■ Our ESG leadership team brings together specialists from across our following investment platforms – TRPA, TRPIM and OHA – and our head of ESG Enablement. ■ Appointed in June 2022, our head of ESG Enablement is not aligned to any single investment platform and leads our distribution and operational approach to ESG. This will allow us to have a consistent vision and global strategy, while bringing greater resources and accountability to our approach across both Corporate ESG and Investments. ■ Head of ESG Enablement reports directly to Eric Veiel, head of Global Equity and CIO, who has senior management responsibility for our ESG efforts and serves on our Management Committee[7]. He is also a member of our chief investment officer group and was an individual signatory for this disclosure in 2020 and 2021.
ESG committees	Each investment platform has its own independent ESG Committee. These are made up primarily of senior investment leaders, respectively, from TRPA or TRPIM, with additional representatives from legal and operations, who have oversight of ESG integration. ESG Committees are chaired by members of our ESG Leadership Team. At TRPA the cochairs are our head of Corporate Governance and the director of research, Responsible Investing. At TRPIM our chair is TRPIM's head of ESG Investing. The ESG committees' primary purpose is to assist the Investment Management Steering committees (see earlier section, Accountability for ESG starts at the top). They typically meet twice per year, but also can meet on an ad hoc basis if necessary. The role of each ESG Committee includes the oversight of: ■ ESG policies (including the proxy voting guidelines and exclusions lists) ■ Implementation of ESG in the investment processes ■ Implementation of the proxy voting policy ■ Implementation of exclusion lists ■ Impact investment framework Each ESG Committee: ■ Submits an annual report to the applicable T. Rowe Price Funds' Board of Directors summarising voting results, policies, procedures and other noteworthy items. ■ Oversees the process for exclusion lists. This includes our firmwide human rights violators policy and controversial weapons, which are applied to our UK open-ended investment company (OEIC), European and international SICAVs and Canadian Pooled Funds ■ Oversees other exclusion lists such as those applied to our socially responsible and impact product offerings. A sub-committee, the Exclusion List Advisory Group, consisting of investment professionals and legal counsel, assist ESG specialist teams to assess ambiguous situations regarding exclusions. For socially responsible and impact strategies more than one list of excluded companies may be created and maintained by the investment manager and sub-investment managers specialists in ESG at TRPA and TRPIM, as appropriate.

[7] OHA operates as a stand-alone business within T. Rowe Price, with autonomy over its investment process, and maintains its own culture, associates and teams, including its own specialist ESG team. Decisions for the OHA ESG & Sustainability team are made independently of those of TRPA or TRPIM.

Investment leaders are members of our ESG Committees

Information barriers are in place across all our investment platforms to prevent the inadvertent flow of confidential investment and research information between the advisers across T. Rowe Price Associates, Inc., T. Rowe Price Investment Management, Inc. and Oak Hill Advisors, L.P.

TRPA ESG Committee: coverage breadth of global and regional asset classes	
Donna F. Anderson, Cochair Head of Corporate Governance	**Maria Elena Drew, Cochair** Director of Research, Responsible Investing
Austin Applegate Portfolio Manager, Municipal Bonds	**Matt Lawton** Portfolio Manager, Global Impact Credit
Kamran Baig Director of Equity Research, EMEA and Latin America	**Yoram Lustig[8]** Head of EMEA Multi-Asset Solutions
Hari Balkrishna Portfolio Manager, Global Impact Equity	**Ryan Nolan*** Senior Legal Counsel, Legal
Oliver Bell Associate Head, International Equity	**Ken Orchard** Portfolio Manager, Global Fixed Income
R. Scott Berg Portfolio Manager, Global Growth Equity	**Sally Patterson** General Manager, International Equity
Jocelyn Brown Head of Governance, EMEA and APAC	**Thomas Poullaouec[8]** Head of Multi-Asset Solutions, APAC
Archibald Ciganer Portfolio Manager, Japan Equity	**Preeta Ragavan** Equity Investment Analyst
Anna M. Dopkin Strategic Project Manager	**John C.A. Sherman** Equity Investment Analyst
Amanda Falasco[8] Supervisor, Global Proxy Operations	**Justin Thomson** Head of International Equities and CIO
Ryan Hedrick Associate Portfolio Manager, US Large-Cap Equity	**Mitchell Todd** Portfolio Manager, UK Equity
Arif Husain Head of International Fixed Income	**Eric Veiel** Head of Global Equity and CIO
Michael Lambe Associate Director of Research	**Willem Visser** Fixed Income ESG Associate Portfolio Manager
Jennifer Geary General Manager, Fundamental Equity	**Ernest Yeung** Portfolio Manager, Emerging Markets Discovery Equity

TRPIM ESG Committee: coverage of US corporates
Chris Whitehouse, Chair Head of ESG, TRPIM
Stephon Jackson, CFA Head of TRPIM
David Giroux Portfolio Manager, CIO and Head of Investment Strategy
Steven Krichbaum, CFA Director of Research
Thomas Watson, CFA Director of Research
Ashley Woodruff Associate Portfolio Manager
Paul Cho Research Analyst
David Wagner Lead Portfolio Manager
Farris Shuggi Quantitative Team Leader, TRPIM
Doug Zinser Research Analyst
Sara Pak[8] Managing Legal Counsel
Amanda Falasco[8] Supervisor, Global Proxy Operations

[8] Not part of TRPA or TRPIM, these individuals are attending in an advisory capacity and although not classified as restricted investment personnel must adhere to the strict information barrier policy and guidelines.

Oak Hill Advisors, L.P., ESG Committee: alternative credit investment specialist			
Bill Bohnsack President & Senior Partner	**Adam Kertzner** Portfolio Manager & Senior Partner	**Alexis Atteslis** Co-head of Europe & Partner	**Natalie Harvard** Head of Investor Relations & Partner
Lucy Panter Portfolio Manager & Partner	**Gregory Rubin** General Counsel & Partner	**Fritz Thomas** Head of Client Coverage & Partner	**Declan Tiernan** Co-head of Europe & Partner
Thomas Wong Portfolio Manager & Partner	**Colin Blackmore** Managing Director, European General Counsel & CCO	**Jeff Cohen** Managing Director, Head of ESG & Sustainability	**Nathaniel Furman** Partner
Blaire Rowe Associate	**Steve Jones** Managing Director & Chief Operating Officer – US Credit	**Erin Hartney** Principal, ESG & Sustainability	**Jack Crowell** Principal, Product Specialist

As of 31 December 2022.

Global ESG investment research teams

Our dedicated full-time ESG investment resources grew from 23 individuals in 2021 to 37 in 2022 (29 in TRPA, including seven dedicated impact investing professionals, six at TRPIM and two at OHA). Our ESG specialists help our analysts and portfolio managers identify, analyse and integrate the ESG factors most likely to have a material impact on an investment's performance.

In 2022, T. Rowe Price Investment Management, Inc., was established as a separately registered US investment adviser, with a separate ESG team from T. Rowe Price Associates, Inc. Decisions for TRPA and TRPIM ESG teams are made completely independently, but use a similar approach, framework and philosophy. Our ESG specialist teams are supported by an operations team focused on proxy voting execution and a technology team focused on ESG data integration.

See Principle 7 for details of our approach to ESG investing.
For details about OHA, visit oakhilladvisors.com.

T. Rowe Price Associates (TRPA)

Responsible Investing

Maria Elena Drew,
Director of Research, Responsible Investing

Corporate analysis

Joseph Baldwin
Analyst – Financials and REITs

Greg Bragg
Associate Analyst – Consumer (EMEA/U.S.)

Francesco Buonocore
Associate Analyst – Industrials

Ashley Hogan
Associate Analyst – TMT[10] (U.S.)

Clarice Hung
Associate Analyst – Generalist (Asia)

Matthew Kleiser
Associate Analyst – Generalist (U.S.)

Iona Richardson
Analyst – Consumer and TMT[10] (Asia/EMEA)

Daniel Ryan
Associate Analyst – Health Care

Duncan Scott
Analyst – Natural Resources and Industrials

Sovereign, municipal & securitized bond analysis

Tongai Kunorubwe
Head of ESG, Fixed Income

Dylan Cotter
Associate Analyst – Munis and Securitized

Natalie McGowen
Associate Analyst – Sovereign bonds

ESG data & Business support

Suha Read[3]
General Manager

Matt Lodge[3]
Senior Analyst – Responsible Investing Data Analytics

Michael Ray[3]
Senior Business Analyst

Governance

Donna Anderson
Head of Corporate Governance

Jocelyn Brown
Head of Governance, EMEA and APAC

Ryan Chiang
Senior Governance Analyst

Kara McCoy
Governance Analyst

Regulatory Research

Michael Pinkerton
Associate Analyst

Specialist Support

Véronique Chapplow
ESG Investment Specialist

Penny Avraam
Lead Portfolio Analyst

Impact Investing

Equity

Hari Balkrishna
Portfolio Manager, Equity

David Rowlett
Portfolio Manager, Equity

Chris Vost
Analyst, Equity

Kaoutar Yaiche
Analyst, Equity

Fixed Income

Matt Lawton
Portfolio Manager, Credit

Willem Visser
Associate Portfolio Manager, Credit

Ellen O'Doherty
Associate Analyst, Fixed Income

- Baltimore Associate
- London Associate
- Hong Kong Associate
- Washington Associate
- New York Associate

T. Rowe Price Investment Management (TRPIM)[9]

ESG

Chris Whitehouse
Head of ESG

Kevin Klassen
Quant Analyst (ESG)

Allie Hidalgo
Associate Analyst – Financials, Technology

Brandon Lee
Associate Analyst – Consumer, Health Care, Utilities

Molly Shutt
Associate Analyst – Energy, Industrials, Materials

Thearra Su
Associate Analyst

Reglatory Research

Gil Fortgang
Associate Analyst

Oak Hill Advisors (OHA)[11]

ESG and Sustainability

Jeff Cohen
Head of ESG & Sustainability

Erin Hartney
Principal, ESG & Sustainability

[9] T. Rowe Price Investment Management, Inc. (TRPIM) was established as a separately registered US investment adviser, with a separate ESG team from T. Rowe Price Associates, Inc (TRPA). Decisions for TRPA and TRPIM ESG teams are made completely independently, but use a similar approach, framework and philosophy.
[10] TMT – Technology, Media, Telecom.
[11] OHA – Oak Hill Advisors – a T. Rowe Price company since 31 December 2021. The OHA ESG & Sustainability team are separate from TRPA and TRPIM and decisions for the OHA ESG & Sustainability team are made independently.

ESG Taskforce – global collaboration

A dedicated taskforce, with representation from across the organisation, helps drive our ESG communications activity, surface insights on ESG issues and inform our client reporting work. The demand for information from clients and associates about our ESG capabilities and products continues to grow in all regions. We believe a coordinated firmwide response is vital to ensure a consistent approach to supporting these demands.

Activities are carried out under the strategic direction of the ESG Taskforce Steering Committee and developed through collaboration across the three workstreams, with representation across our global business, including Distribution, Product, Investments, and Operations. The ESG Taskforce reports to senior management throughout the year to highlight any significant challenges or issues and to keep the group informed of key ESG-related developments.

In 2022:

- The two cochairs of the ESG Taskforce are the director of research, Responsible Investing–TRPA and the head of ESG Marketing and Communications, which remains unchanged from 2021.
- Since July 2022, the executive sponsor of the ESG Taskforce is Poppy Allonby, head of ESG Enablement, who replaced the head of Distribution for Americas, EMEA and APAC.
- Matthew Belski took over the lead for the Client Reporting Workstream.
- New distribution representatives joined from our APAC and US regions.

ESG Taskforce Steering Committee
Poppy Allonby, executive sponsor, ESG Taskforce[12]
Maria Elena Drew, cochair ESG Taskforce and director of Research, Responsible Investing (TRPA)
Zoe Godfrey, cochair ESG Taskforce and lead communications workstream
Matthew Belski, leads client reporting workstream[12]
Selina Pattyranie, leads market intelligence workstream
Suha Read, general manager, responsible investment (TRPA)
Helen Ford, head of investment specialist group
Louise McDonald and **Twyla Cummings[12]**, representing product
Jen Johnson, representing training and education
Christopher Whitehouse, head of ESG (TRPIM)
Darren Hall, representing APAC distribution[12]
Taham Mahimwalla, representing US distribution[12]
Gaby Infante (Observer), director of corporate ESG

As in 2021, the ESG Taskforce continued to operate three workstreams. Details of activities in 2022 can be found in Principle 6.

ESG Communications
Defines and drives our global ESG marketing, communication and education efforts. It includes sub-workstreams specialising in digital, educational and internal communications.
ESG Market Intelligence
Identifies key market trends and client insights globally to assist the development of our ESG investing capabilities and communication. ESG representatives from sales teams reflect the views of our global client base and local markets.
ESG Client Reporting
Advises and promotes guidance to relevant teams on the delivery of ESG reporting based on insights from the communications and market intelligence workstreams.

[12] Joined the ESG Taskforce Steering Committee in 2022

Investing in ESG: people, systems, processes and research

Ongoing investment in our ESG resources, including staff and technology, remained a priority in 2022.

Growth of our dedicated in-house ESG investment teams

TRPA

In 2022, we added seven dedicated ESG specialists to the team:

- Tongai Kunorubwe joined as head of ESG, Fixed Income
- Three associate analysts joined to continue to bring greater coverage across EMEA, US and Asia
- One senior analyst for Responsible Investing Data Analytics joined
- An experienced portfolio analyst joined the ESG investment specialist, Investment Strategy Group, providing investment expertise to support distribution teams with client engagements
- David Rowlett, portfolio manager, US Equity joined the Impact investing team

TRPIM

T. Rowe Price Investment Management was established as a separate US-based SEC-registered investment adviser in Q1 2022. However, the buildout of the team, process and research began a few years prior to this as noted below and continued to grow in 2022. For more on the establishment of TRPIM, see Principle 1.

As of the end of December 2022, TRPIM has six ESG specialists spread across two teams – ESG and regulatory research covering the US corporates with their universe. Together, they help our TRPIM investment analysts and portfolio managers identify, analyse and integrate the ESG factors most likely to have a material impact on an investment performance.

- Chris Whitehouse, head of ESG TRPIM, joined T. Rowe Price in 2005 and moved to TRPIM in July 2020
- Kevin Klassen, quant analyst, ESG, joined T. Rowe Price in 2018 and joined TRPIM in November 2020
- Molly Shutt joined TRPIM as an associate analyst in early 2021
- Brandon Lee and Allie Hidalgo joined TRPIM as associate analysts in 2022
- Gil Fortgang joined TRPIM as associate analyst, regulatory research in August 2022

Continued investment in data and tools to aid our ESG integration

TRPA

Over the past year, TRPA has continued to invest to build its dedicated, in-house ESG resources as well as to further integrate our proprietary responsible investing analysis across the TRPA investment platform, some of which include:

- **Net zero status.** We expanded our proprietary data sets to include the net zero status of our investee companies. As well as feeding into RIIM, the net zero status of an issuer (and a portfolio) is now readily available to our research analysts and portfolio managers.
- **ESG research insights.** To ensure our investment teams have local insight on developing ESG topics in the Asia Pacific region, we contracted with a Japanese governance data provider, and we are looking to onboard a Chinese proxy research provider in 2023. We also selected a vendor who could enhance our climate data research capability, to support us in conducting climate scenario analysis across our investments in 2023.

Both TRPA and TRPIM

ESG specialists from both investment platforms are part of the EU Sustainable Finance Regulation working group to develop the investing investment insights, methodologies, modules and disclosures to fulfil the requirements for our Pan-European product offering. The modules include:

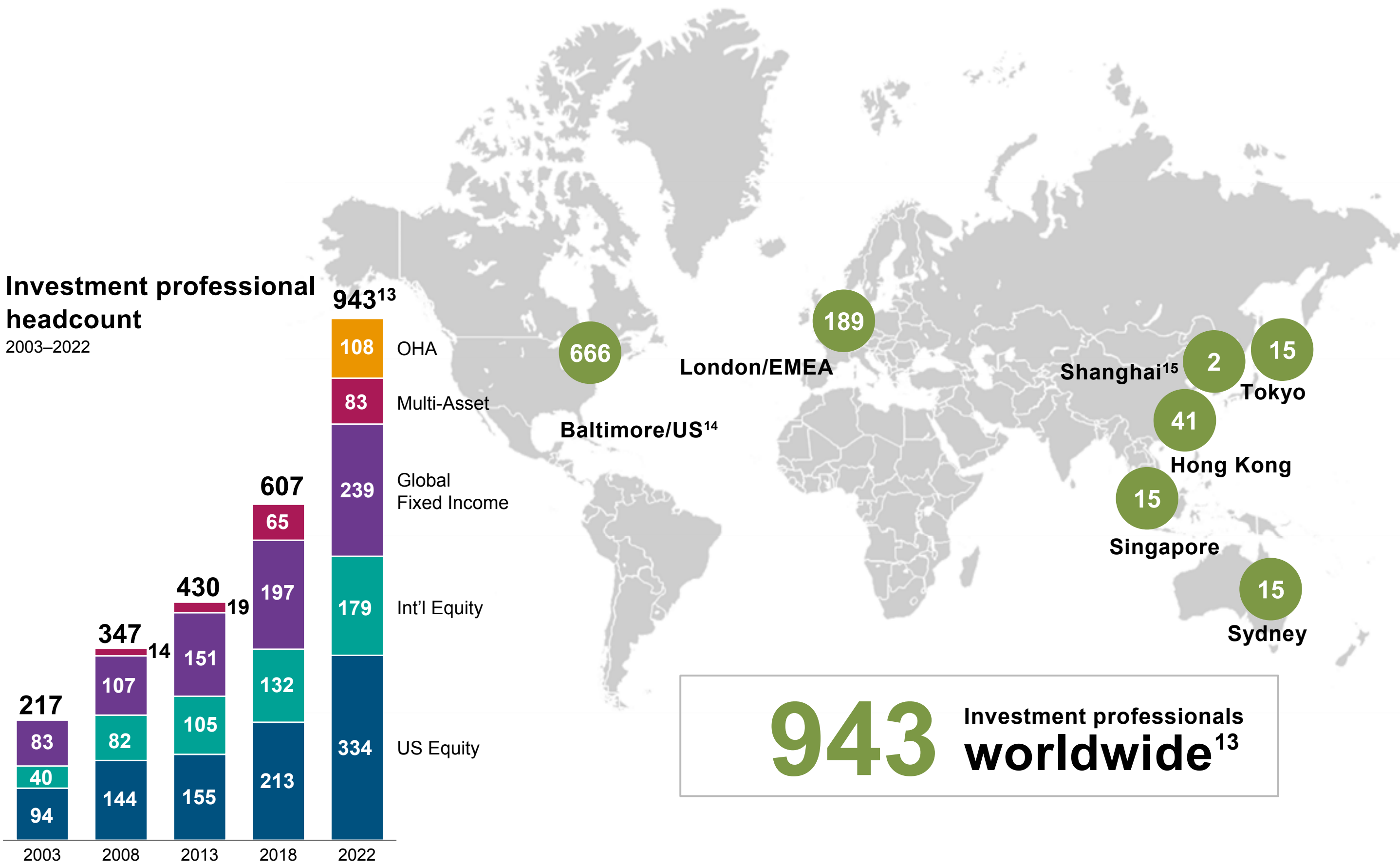
- **EU Taxonomy Module and SFDR Module.** Ahead of the implementation, we added these modules to our investment platforms in response to developments in EU ESG regulations. They enable our investors to evaluate the sustainability of prospective or existing investments as defined by the EU Taxonomy and SFDR. The EU taxonomy calculation integrates Do No Significant Harm (DNSH) and minimum safeguards. The SFDR module integrates the DNSH and good governance tests.

Investing in independent ESG research and client surveys

For the third year, we sponsored a dedicated third-party Global ESG Survey. The survey was designed to understand the distinct needs of institutional asset owners, discretionary fund selectors and retail advisers in the Americas, EMEA and Asia Pacific – particularly as different client types and regions are at different stages of their ESG journey. See Principle 6 for details.

Investment in our global investment capabilities year on year

We have continued to build out our investment teams where needed to ensure we can continue to diversify our product offerings and make sure that they have the resources they need to be successful.



Data as of 31 December 2022. Includes TRPA, TRPIM and OHA. OHA operates as an independent subsidiary of T. Rowe Price.

[13] 109 portfolio managers, 21 associate portfolio managers, 13 regional portfolio managers, 15 sector portfolio managers, 209 investment analysts/credit analysts, 59 quantitative analysts, 10 solutions associates, 85 associate analysts, 44 portfolio specialists/generalists, 41 specialty analysts, 85 traders, 11 trading analysts, 4 data management, 4 economists, 82 portfolio modelling associates, 43 management associates and 108 associates at OHA, which is a T. Rowe Price company.

[14] Count includes 509 Baltimore-based associates, 99 New York-based associates, 13 San Francisco-based associates, 33 Washington, DC-based associates, 11 Philadelphia-based associates, and 1 Texas-based associate.

[15] Three research-only associates.

Use of external service providers

Our approach to ESG is tightly integrated into our investment process. We conduct our own fundamental research, using the processes outlined in Principle 7. Our proprietary ESG framework is populated by both quantitative ESG data sets as well as our own fundamental research.

The use of quantitative ESG data sets is helpful to our process as it creates a baseline from which to measure an individual security's ESG performance and makes our process much more scalable, allowing us to compare a portfolio with its benchmark.

We seek to work effectively by utilising data from third-party suppliers, remains unchanged in 2022 and augmenting that with qualitative analysis.

We take a best-of-breed approach to working with third-party data. Details of our vendor oversight are provided in Principle 8. The main use of external data is as follows:

- TRPA and TRPIM have in-house Responsible Investing Indicator Models that pull initial data from Sustainalytics, Bloomberg, company-reported data and databases developed internally at T. Rowe Price. In addition to the data inputs that feed directly into RIIM, we also utilise third-party research from other vendors.
- Our primary data provider for exclusion screening is MSCI.
- We use proxy voting research from external provider Institutional Shareholder Services (ISS) as an input to our own custom research policy (as detailed in Principle 12).

These external and proprietary sources efficiently and consistently provide the data we need to build a preliminary ESG profile of a security and conduct our ESG screening and analysis, which are used in our analysts' detailed fundamental research.

Training and development

At T. Rowe Price, our goal is to give our associates the opportunity to grow in their positions and advance to the best of their abilities. While career development is ultimately their responsibility, we provide support through continuous training and a culture that encourages mentoring and teamwork.

This includes continually building awareness and knowledge of ESG among our global associates not only for ESG investing but more on our own efforts through corporate ESG training. These training sessions are critical to help us meet the evolving needs of our clients, ensuring client-facing distribution teams have the knowledge needed to support our clients and to strengthen our ESG capabilities.

Over the last few years this has been particularly important for our associates in Europe and regions where we register and distribute our Luxembourg SICAV products, to ensure competency in understanding EU Sustainable Finance Regulation and what this means for T. Rowe Price and our product offering.

<table>
<tr><td colspan="2">Continued rolling out our introductory ESG training module for internal audiences worldwide.</td></tr>
<tr><td>Created an internal ESG education portal housing over 50 ESG resources, including videos, talking points and podcasts.</td><td>Delivered bespoke regulatory training to investments, distribution and other associates covering EU Sustainable Finance Regulation, including SFDR, Delegated Acts, Taxonomy, PAI and T. Rowe Price's approach to sustainable Investing.</td></tr>
<tr><td colspan="2">Raised awareness of our Corporate ESG initiatives internally to our associates globally through podcasts and videos.</td></tr>
</table>

2022 training overview with ESG education highlights

- **New analyst orientation** – Each new analyst is trained in responsible investing and corporate governance as part of an in-depth, multi-day orientation. This is held in Baltimore, Maryland, US, every September (though it continued to be a hybrid event this year).
- **Discussion forums** – In addition to new analyst training, we hold forums with investment professionals across the firm to explore the integration of ESG factors in the investment process.
- **ESG global and regional training** – Our ESG investment specialists, product, legal and compliance teams continued to provide regular training sessions spanning regional regulation, ESG product initiatives, the RIIM tool, impact investing, ESG ratings and climate-related topics, to name a few.

  In 2022, this included a series of mandatory and informative EU regulatory training sessions for our investment and client-facing distribution teams in support of our T. Rowe Price Luxembourg product offering. Training was tailored to support the type of clients our distribution teams supported. Additionally, where needed, we provided training that was specific to the roles of certain associates, such as fund administration teams. Topics included an overview of the requirements, European ESG Template (EET) reporting, delegated actions, sustainability preferences and Principal Adverse Impacts (PAIs).

  In Q4 2022, we presented an overview of the EU Sustainable Finance Regulation, our approach to sustainable investing and what it means for T. Rowe Price's product offering. Internally this was through training sessions and talking points messaging documents and externally with clients in Europe via a live webinar and white paper.
- **Global associate training** – This was conducted by in-house ESG subject matter experts and external suppliers such as Fitch Learning. In 2022 we had a 76% successful completion rate of the Fitch ESG Foundation Certificate. In 2022 we had a 79% successful completion for associates registered globally from our EMEA, APAC and Americas distribution teams.

  The certification covered four modules, including: ESG factors, ESG market and engagement, integrating ESG into investment analysis and integrating ESG into portfolio management.
- **Chartered Financial Analyst®** (CFA®)[16] – We support the development of our staff through relevant training and development opportunities such as completion of the Chartered Financial Analyst® (CFA®) qualification and CFA Institute Certificate in ESG Investing.
- **Corporate ESG strategy** – In 2022, our Corporate ESG team continued working with our ESG education team to build tools and resources to keep associates across our global business informed and updated on our internal Corporate ESG strategy.

[16] CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

Performance management and incentivisation

We continue to have a solid balance sheet with zero long-term debt, even in these challenging times. This stability helps us to maintain a long-term view and to continually invest, where needed, in our business so that we best serve our clients.

For example, bonuses for all T. Rowe Price International Ltd (TRPIL) staff are discretionary, and an individual's performance assessment includes a review of matters including conduct, collaboration, putting clients first, acting with integrity and accountability, cultivating intellectual curiosity and innovation, embracing diversity, being disciplined and risk aware, pursuing excellence with passion and humility, compliance with internal policies and procedures (including the Code of Ethics), anti-bribery policies and procedures and completion of role-related compliance training courses on annual basis.

We use performance management and reward programmes to incentivise our associates, including for the integration of stewardship procedures and ESG factors in investment decision-making.

ESG specialist teams: Have clear objectives and are compensated with variable pay related to achieving these objectives.

Investment professionals: To ensure alignment across different teams and different perspectives, we appraise our research analysts on the extent to which they test their ideas with other teams and their contribution to wider idea generation and validation.

- Portfolio manager compensation is viewed with a long-term time horizon and measured over 1-, 3-, 5- and 10-year periods.
- The more consistent a manager's performance over time, the higher the compensation opportunity. Portfolio manager compensation is not solely formulaic, and short-term fluctuation in assets under management is not considered a material factor.
- T. Rowe Price Group evaluates performance in absolute, relative and risk-adjusted terms. Relative performance and risk-adjusted performance are determined with reference to the appropriate benchmark(s) for the investment product, as well as comparably managed investment strategies of competitive investment management firms.
- Also included is the integration of sustainability risks and ESG objectives into our investment process and our remuneration incentives.
- Our investment staff are responsible for incorporating sustainability risks and other ESG factors into their investment recommendations and investment decisions, as appropriate to the relevant mandate.

For example, TRPIL holds its portfolio managers and analysts accountable for doing so by incorporating the extent of the integration of ESG analysis into their individual investment processes as part of the qualitative aspect performance assessments that determine each individual's compensation.

Client-facing distribution teams: Our client-facing distribution teams are increasingly embedding ESG knowledge and insights across our distribution channels to better support clients and their needs. For example, our Global Consultant Relations team now includes an ESG representative who also sits on the ESG Taskforce to keep client and consultant needs at the forefront of how we do business. These representatives also have ESG objectives built into their appraisal process.

Diversity, Equity and Inclusion: Our goal is to increase our hiring, retention and development of talent from groups that are underrepresented in asset management. Each year we establish annual corporate DEI goals to continue improving our hiring, development, advancement and retention of diverse talent and our overall diverse representation. Furthermore, we strive to ensure that all associates are compensated fairly and equitably throughout their careers at the firm. To validate this, we engage with respected third-party consultants to conduct robust annual pay equity audits and commit to addressing any anomalies within that performance year.

Each associate must complete a DEI performance objective, which outlines the expectation and accountability we have in achieving our shared DEI goals.

Further details of these DEI goals and achievements to date, see our ESG Corporate Annual Report.

Closing Reflection

The last few years have been challenging for investors around the world, with the ongoing global pandemic, geopolitical uncertainties, rising inflation and higher interest rates. Despite these challenges, we maintained our distinctive culture and investment beliefs as we welcomed Oak Hill Advisors into the T. Rowe Price Group and established T. Rowe Price Investment Management as a stand-alone adviser. Looking forward into 2023, the formation of a central ESG enablement function will help us ensure we continue to meet our clients' and other stakeholders' expectations.

PRINCIPLE 3

Signatories manage conflicts of interest to put the best interests of clients first.

Conflict of Interest Policy

Our Conflicts of Interest policy is contained within our Code of Ethics and Conduct, which is available on our public website here. Where conflicts cannot be avoided, we seek to mitigate them through organisational and administrative controls and, where necessary, disclosure to clients. T. Rowe Price has additional policies and procedures to help guide us in circumstances where a conflict might arise in the course of business activities.

Code of Ethics and Conduct

The company's Code of Ethics and Conduct (Code) sets the tone for how associates should think about conflicts, recognising the firm's fiduciary duty to our clients. All associates are expected to identify and report conflicts of interest in accordance with T. Rowe Price policies. Key elements of the Code include:

- **Associate guidance:** The Code provides guidance to aid associates with recognising and addressing conflicts in a manner consistent with the firm's expectations. Mandatory training and certification is conducted each year. The firm's Ethics Committee has the overall responsibility for developing, maintaining and administering the Code. Where a policy does not exist, actual or potential conflicts should be escalated to the appropriate person, group or committee for further review and resolution.
- **Reporting and identification:** While the duty to report certain conflicts is the responsibility of individual associates, the overall structure of the firm's compliance program, and those specific to its subsidiaries, place an emphasis on the responsibility of business units to identify and address conflicts of interest particular to their areas.
- **Conflict definition:** Business units aim to identify conflicts of interest that arise in the normal course of business, including, for example, those between: (a) the firm, including its managers, employees or any person directly or indirectly linked to the firm and a client, fund or the investors in such fund and (b) a client, fund or the investors in such fund and another client, fund or the fund's investors.
- **Conflict management:** The firm's Management Committee and the respective Boards of subsidiaries of T. Rowe Price also have accountability to identify conflicts and ensure they are appropriately managed. There is a robust assurance programme in support of the various groups and individuals identified. This includes the Internal Audit Group, Compliance teams, Legal Department, Risk Management teams and various quality and compliance resources embedded within the business units themselves.

Where a potential conflict is identified, T. Rowe Price will seek to organise its business activities in a manner which avoids such a conflict. The remedies for avoidance are fact-specific but may include:

- Prohibiting certain employee activities
- Segregation of duties
- Implementing information barriers
- Declining to provide a particular product or service

However, the avoidance of all conflicts is not always feasible in a commercial environment. Where conflicts cannot be avoided, we seek to mitigate the impacts through effective organisational and administrative controls. In addition to the Code and various global compliance policies, business unit operating procedures and oversight committee charters may include references to specific conflicts of interest and how they are managed.

Our conflicts policy and how this has been applied to stewardship

Our overarching approach to dealing with potential conflicts of interest is to resolve them by taking the path which best serves our clients' interests. Potential conflicts and how they may be addressed are discussed below.

Potential conflicts with respect to ownership structure

We do not encounter conflicts of interest related to transactional relationships with issuers of corporate securities across various divisions of our firm (which might be a risk associated with a more diversified financial services group). T. Rowe Price has been in the investment management business since 1937 and has operated as a publicly traded corporation since 1986. The size of our assets under management, combined with our strong financial position, support our clients' needs. Our strong balance sheet and considerable financial resources are conservatively managed, allowing associates to focus on serving the investment management needs of our clients.

Potential conflicts with respect to individuals

With regard to our stewardship activities in 2022 there were no material breaches by individuals of our business unit policies and procedures designed to eliminate conflicts of interest. Our Code requires all employees to avoid placing themselves in a "compromising position" in which their interests may conflict with those of our clients. The Code restricts their ability to engage in certain outside business activities. The firm has a variety of risk identification and assessment procedures to identify potential individual conflicts of interest. Programmes are in place to monitor personal trading, gifts and entertainment, outside business activities and political contributions, among other potential conflict of interest areas. In addition, portfolio managers or ESG Committee members with a personal conflict of interest regarding a particular proxy vote must recuse themselves and not participate in the voting decisions with respect to that proxy. An example of a personal conflict of interest would be a close relative serving on the board of a public company where T. Rowe Price has investments.

T. Rowe Price's Compliance department maintains a register of our global corporate relationships that could trigger material conflicts of interest. The register comprises corporations that provide a material level of products or services to T. Rowe Price, our significant trading counterparties, our significant investment advisory clients, our significant recordkeeping clients and corporations where there is a Board member who also serves as a director for a T. Rowe Price entity.

The register is updated annually. Entries in the register generally include the nature of the conflict, the parties responsible for oversight and any relevant policies, procedures and/or disclosures that may be applicable. The register and associated policies and procedures undergo periodic reviews, including discussions and involvement from relevant business units. The register helps to inform compliance assessments, internal testing plans and disclosure reviews.

Potential conflicts with respect to stewardship activities

With regard to stewardship activities, potential conflicts between the interests of our firm and our clients could occur in the context of proxy voting or escalated forms of engagement, such as formal, written correspondence with a portfolio company. Risks are managed and monitored by using our proxy voting oversight and procedures, which are described below.

Proxy voting oversight

The TRPA and TRPIM ESG Committees are responsible for monitoring and resolving potential conflicts between the interests of T. Rowe Price and those of its clients with respect to proxy voting. The same policy and controls framework is in place in both TRPA and TRPIM. We have adopted technological and compliance safeguards to ensure that our proxy voting activity is not influenced by interests other than those of our clients. We prevent internal conflicts of interest by excluding client relationship management, marketing or sales representatives from the ESG Committee.

Our predetermined, standard proxy voting guidelines are designed to avoid potential conflicts of interest in our voting decisions. Proxy votes that are cast contrary to the guidelines could result in a potential conflict of interest if the investee company is also a significant business partner, trading counterparty, supplier or client of our firm. Therefore, we require that portfolio managers document their reasoning for any votes contrary to our voting policies which are in favour of management. We subject these votes to an extra level of scrutiny by ESG Committee members before the vote is cast.

When conducting our stewardship activities, if a conflict arose that could not be addressed by the existing protocols described in this principle, we would escalate it to the firm's Ethics Committee. Such circumstances have not arisen in the past.

Potential conflicts with respect to share classes or asset classes

An area where our clients may encounter potential conflicts of interests with each other is when they own different securities of the same issuer. For instance, a strategy may purchase preferred stock while other clients hold common stock, or we may invest in both debt and equity instruments of a particular issuer. There are instances when the interests of the respective owners of these securities could conflict with each other. Our mechanisms for managing these potential conflicts include involvement of the senior management of our firm and full internal transparency among the interested parties.

An example of a potential conflict would include when a portfolio manager wishes to write a letter to the Board advocating for a particular change in strategic direction of the company or an improvement in its corporate governance practices. Here, our Compliance division checks if our clients also own any debt instruments of the company. If they do, the relevant fixed income portfolio manager is given an opportunity to review the letter and provide comments. Similarly, initiatives instigated by a fixed income portfolio manager allow for equity portfolio managers to contribute. The leaders of our Equity and Fixed Income Divisions, together with our legal and compliance teams, then assess how any recommendations to the company, if adopted, would affect the performance of its various securities.

Importantly, our portfolio managers and analysts routinely engage with management teams of the companies in our clients' portfolios. These discussions typically focus on company strategy, financial and operational performance, industry conditions and capital allocation and often include environmental, social or governance topics. Internal transparency helps to mitigate potential conflicts. All TRPA meetings are open and fully visible on a calendar shared across our equity, fixed income, multi-asset and ESG teams; TRPIM operates the same "open door" approach. Credit and equity analysts routinely participate in management meetings together, providing asset class-specific feedback to companies. Full internal transparency and access to these meetings is designed to ensure that the interests of clients across all strategies are fairly represented.

Potential conflicts between holdings in a target and acquirer in M&A scenarios

In a scenario where our clients own both the target of an acquisition and its acquirer in the same strategy, we vote the shares of the acquirer and the target solely in the interest of the shareholders of each entity. For example, assume Company A is acquiring Company B at a price that includes a premium we consider excessive. To exercise our fiduciary duty to the shareholders in each company, we would vote for the transaction at Company B but against at Company A, assuming that shareholders of both entities are afforded a vote on the transaction.

Potential conflicts where client assets are invested in existing clients of the firm

From time to time, client assets may be invested in the securities of companies that have appointed T. Rowe Price or an affiliated entity as an investment adviser or recordkeeper. In addition, client assets may be invested in companies which have invested in T. Rowe Price funds, in companies which are clients of other affiliated entities of T. Rowe Price or in companies which provide a material level of products or services to T. Rowe Price or its affiliates. Investments for our clients' accounts are made in accordance with our fiduciary obligation without regard to other relationships.

Potential conflicts between multiple advisers in the T. Rowe Price Group

We discuss the information barriers between OHA, TRPA and TRPIM under Principle 5. Given the nature of OHA's investments, the focus of our mitigation is where TRPA and TRPIM have holdings in the same issuer. The company will hold separate meetings with the relevant investors in TRPA and TRPIM, and there is no coordination between the investment and stewardship teams across the advisers on company-specific issues.

Disclosure of conflicts of interest

We ensure that material conflicts of interest are disclosed to clients on SEC Form ADV Part 2A. These forms require us to prepare narrative brochures that disclose our business practices, fees, conflicts of interest, disciplinary information and other applicable regulatory disclosures. Additionally, where we believe the management of conflicts of interest is insufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client, fund or the investors in such fund would be prevented, the firm may choose to disclose specific conflicts. Any such disclosures would follow the requirements of the relevant jurisdictions and regulatory bodies applicable to the specific scenario and include the general nature and/or source of the conflict to enable clients to make informed decisions. Client disclosures are also periodically reviewed to ensure the practices described remain current.

The process presented in this infographic represents the steps followed by TRPA and TRPIM.

Proxy Voting: steps to monitor and resolve potential conflicts of interest

1 ANALYSIS OF BUSINESS RELATIONSHIPS

Annual analysis by our Compliance division of business relationships that may cause a potential conflict of interest (including the investment advisory clients for each of our distribution channels, our recordkeeping clients, our trading counterparties, and our vendors).

2 SCHEDULE OF BUSINESS RELATIONSHIPS FOR PUBLICLY LISTED EQUITIES

For each category, our Compliance division updates a list of our significant business relationships for each, then reduces the list to entities with publicly listed equity securities.

3 SCHEDULE OF SHARED DIRECTORSHIPS

We add to the list any public companies where a T. Rowe Price Group director or a member of the T. Rowe Price Mutual Funds' Board of Directors also serves as a director. Typically, the final list comprises about 100 issuers globally and is uploaded into our proxy voting platform annually.

4 VOTING GUIDELINES

Our voting guidelines are predetermined by the ESG Committee and disclosed publicly, application of any standard T. Rowe Price guideline to vote as clients' proxies should generally avert any potential conflicts of interest.

5 FLAGGING NONSTANDARD VOTING

For proxy votes inconsistent with T. Rowe Price guidelines, where one or more portfolio manager overrides our guidelines to vote in favour of management, our proxy voting platform performs several automated actions to identify such instances.

6 SCANNING FOR CONFLICTS OF INTEREST

As soon as a vote inconsistent with a standard guideline is entered, the system scans the list of companies representing potential conflicts of interest.

This information is not visible to portfolio managers at any time.

7 RATIONALE FOR OVERRIDE

If the system finds a match, details of the vote and the rationale for the override are sent to a subset of senior members of the ESG Committee for review prior to votes being cast.

8 PROCESS OF APPROVAL

This group determines whether the portfolio manager's voting rationale appears reasonable and well supported.

Approval from at least two members of the group must be received.

Proxy voting in 2022

We believe neither our regular research activities nor our stewardship activities routinely give rise to conflicts of interest. However, as every public issuer has a shareholder meeting every year – and some of these are significant business partners of our firm – potential conflicts within proxy voting occasionally arise. Two potential conflicts of interest were identified for the 2022 reporting period, one in TRPIM and one in TRPA. These are described along with our mitigation measures in the following cases studies.

Case studies

Addressing conflicts in proxy voting activity

Approving a voting exception in relation to a shared common director (TRPIM)	
ManTech International	
Country	US
Issue	Director election
Review	Detailed review by a subset of the TRPIM ESG Committee
Outcome	■ Approval of the exception ■ Voted with management
Potential Conflict	During the reporting period, we voted on compensation issues at the Annual General Meeting (AGM) of a company where a member of the Compensation Committee also serves as a director of T. Rowe Price Group, Inc.
Approach	Our voting guidelines indicated a vote to WITHHOLD support from members of the Compensation Committee. The company did not offer a Say on Pay vote at the meeting. In the absence of such a vote, our guidelines generally call for escalating any matters of serious concern to the members of the committee. The issue in question was the presence of a single-trigger severance clause in a senior executive's employment contract. We assessed the Compensation Committee's decisions over the period and the generally strong alignment of pay and performance at the company over time. We also took into consideration the fact that the company had entered into an agreement to be acquired by a private-equity firm in a transaction we considered fair. We concluded it was not appropriate to oppose the re-elections of three Compensation Committee members in this instance. Because our standard voting policy was overridden and the company was on our predetermined list of potential conflicts, the vote was subjected to an additional level of review by a subset of our ESG Committee. The members approved the exception, and a vote FOR the three directors was lodged.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Voting in a telecommunications company that is a significant advisory client of the firm (TRPA)	
T-Mobile US, Inc.	
Country	US
Issue	The re-election of Board members
Review	■ Detailed review by a subset of our ESG Committee ■ Execution of a vote override that T. Rowe Price has also regularly exercised in the past
Outcome	Approval to override standard voting policy to vote to elect the directors
Potential Conflict	We recently voted at the AGM of a US telecommunications company that is also a significant investment advisory client of our firm. The company is controlled as Deutsche Telekom AG owns more than 50% of the company's voting stock. There is a long-running issue with the composition of the Compensation Committee. Several members are representatives of the controlling shareholder, whereas we generally expect companies to have fully independent Compensation Committees.
Approach	The controlling entities occupy a percentage of Board seats proportionate to their economic interests. Under T. Rowe Price's regular guidelines, this Board composition is reasonable. The issue is the strategic investor is represented on the Compensation Committee. It is the view of our portfolio managers that this strategic partner has proven to be an effective steward of the asset and aligns its interests closely with those of the public investors. For this reason, they believe it is appropriate for the controlling shareholder to participate on the Compensation Committee. As we have in years past, we voted FOR the directors in question. Because our standard voting policy was overridden and the company was on our predetermined list of potential conflicts, the vote was subjected to an additional level of review by a subset of our ESG Committee. The members approved the exception, and a vote FOR the directors was entered.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Closing Reflection

Our process regarding conflict management is largely in line with what was discussed in the 2021 report. One key change for 2022 is our conflicts management process has been extended from TRPA to TRPIM. Another key change, based on feedback from a member of our TRPA ESG Committee during the review of the 2021 report, is that we no longer anonymise the examples of our proxy voting conflicts of interest within our Stewardship Report.

PRINCIPLE 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

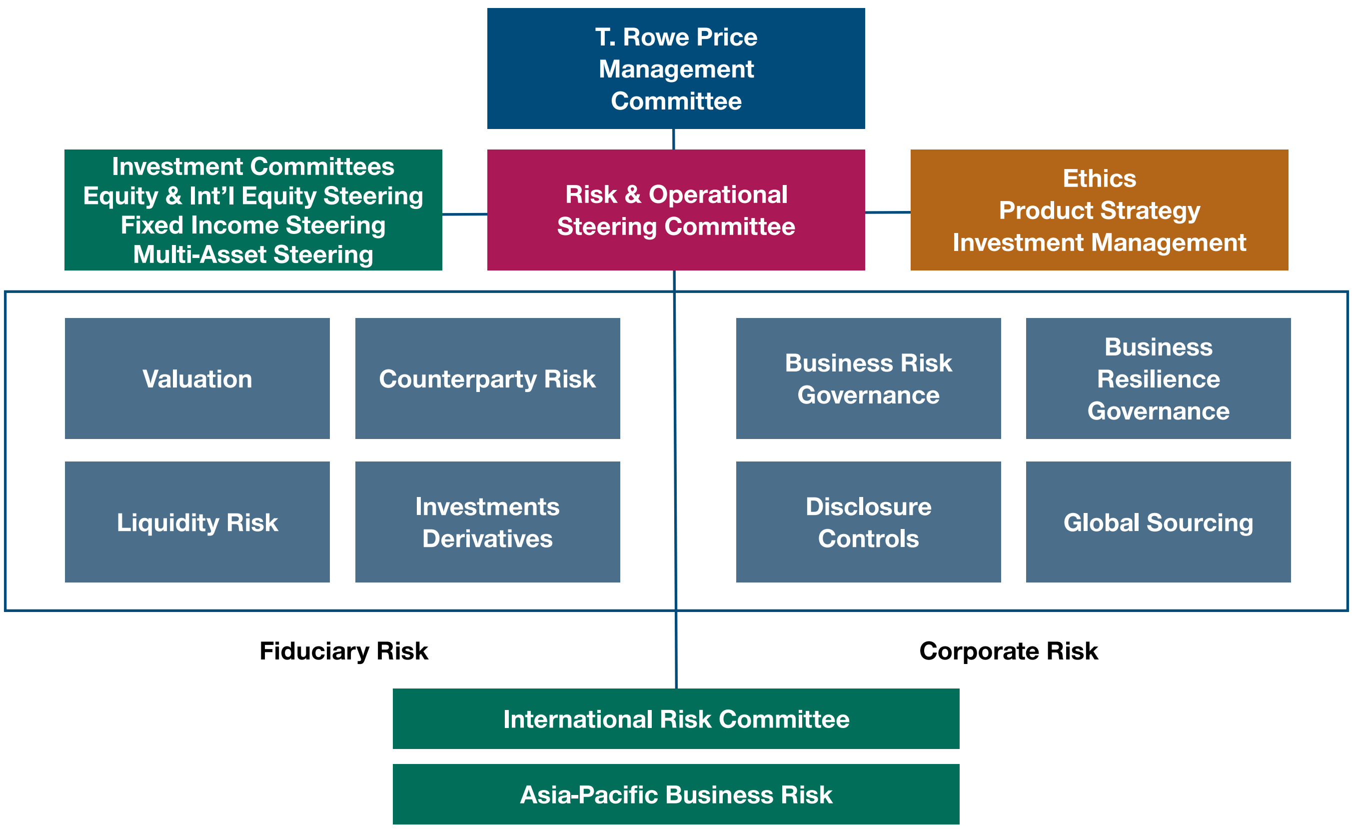
How we identify market-wide and systemic risks

T. Rowe Price has a comprehensive risk management program to ensure adequate controls and independent risk oversight throughout the organisation. It includes the assessment of industry, market, political and other events to identify emerging issues or trends that may warrant a response. The T. Rowe Price Group Board of Directors is ultimately accountable for risk and oversight of the risk management process.

Our chief risk officer (CRO) manages the T. Rowe Price Enterprise Risk Group (ERG) and serves on the Risk and Operational Steering Committee (ROSC), which is made up of senior business leaders from across the firm. The CRO and ROSC set the firm's risk management strategy and oversee risk efforts on behalf of the T. Rowe Price Group Board of Directors and our Management Committee. The CRO reports to our chief operations officer, who serves on the T. Rowe Price Management Committee.

There are several governance and operational committees that escalate significant issues to the Risk and Operational Steering Committee or Management Committee.

Risk committees at T. Rowe Price



Risk management = three lines of defence

Our enterprise risk management programme is designed with three lines of defence to ensure effective identification, assessment and management of risk.

1 Business Unit Leaders

- Responsible for overseeing our operations and managing risks specific to their respective business areas.
- Best placed to understand the challenges of our business and make appropriate decisions regarding risk management.
- Various steering and governance committees provide oversight, policy, and strategic direction for certain critical business activities.

2 Enterprise Risk and Group Strategic Compliance

- Provide management with advice and guidance, along with tools, frameworks and policies for managing risk.
- These groups also provide oversight and independent challenge of business unit identification, assessment and response to risks.

3 Internal Audit

- Independent assurance that established internal controls are operating effectively and that our risks are adequately mitigated.

Management oversight of corporate risks

A key element of management oversight is ensuring that business risks are appropriately monitored and controlled. The chief risk officer and ERG have accountability for proactively identifying, raising awareness of and monitoring our clients' investment risk and our corporate business and operational risks. Enterprise Risk Management's business line risk officers partner with assigned business units, providing guidance and support in identifying, assessing and monitoring all aspects of business risk, including climate. In 2022, particular areas of focus have been operational resilience, due to regulatory focus, and investment risk, given market conditions.

Case study: in action – operational resilience

The Financial Conduct Authority, in conjunction with the Bank of England, created an Operational Resilience Policy in March 2021 that provides a framework for financial services firms to strengthen their resilience against operational disruptions. In order for T. Rowe Price to address the requirements of this regulatory framework, we identified nine Important Business Services critical to our operations. A cross-functional project was completed in 2022 to identify vulnerabilities to these Important Business Services, that, if not addressed, may result in harm to clients. Mitigation plans have been established to address the identified vulnerabilities and progress on those plans is monitored through reporting provided on a quarterly basis to senior management and governance forums, including a newly established Operational Resilience Governance Forum.

Important Business Services (IBSs)

An IBS is a service provided by a firm, to one or more clients which, if disrupted, could cause intolerable levels of harm to any one or more of the firm's clients.

Mapping

Mapping is the process of identifying the people, processes, technology, and facilities that support the delivery of an IBS.

Impact Tolerance

The impact tolerance is the maximum tolerable level of disruption to an IBS, before intolerable harm occurs.

Recovery and Communications Planning

The recovery and communications plan details what the response will be in the event of an incident.

Scenario Testing

Scenario Testing is the process of running a test with IBS stakeholders, to see how they would respond to a critical incident that severely disrupts the IBS.

Self-Assessment

The Self-Assessment is designed to document how TRP meets the regulation standards. It is needed in the event of an incident to prove to the regulators that TRP is abiding by their standards. It also provides an overall status of each IBS.

Case study: in action – assessing the impact of market-wide and systemic risks

In 2022, the Investment Risk team designed several stress scenarios based on market developments, including:

- Rising inflation and interest rates
- Bear market in momentum stocks
- Rotation from growth to value
- Broad-based equity stock bear market
- Slowdown in China growth
- Reaction to US Federal Reserve policy

These scenarios were applied to the portfolios we manage with the aim of understanding how T. Rowe Price investment strategies might perform relative to their benchmarks were the modelled events to materialise. Results of the scenario analyses were communicated to the Investment Division management and to the portfolio managers who would experience the most negative performance impact by the modelled scenarios. As market conditions evolved, stress scenarios were updated and re-performed as needed to incorporate new information and to understand whether portfolio managers had taken action to modify positioning within their portfolios.

Overview of our approach to managing fiduciary risk

Fiduciary or investment risk refers to exposure resulting from investment positions in a portfolio through all traded instruments. Investment risk can be segregated into two distinct types:

(1) **Counterparty risk** – risk that a trading partner may default on contractual obligations to a T. Rowe Price fund or managed account. T. Rowe Price's Counterparty Risk Committee (CRC) is responsible for the administration and oversight of the firm's counterparty risk management program, which is primarily implemented by the Counterparty Risk team within Investment Risk. The CRC is also responsible for monitoring and approving the creditworthiness of counterparties with which T. Rowe Price trades, globally. Wherever feasible, collateral agreements are pursued and executed in order to further mitigate exposure to counterparties. The CRC reports periodically to the US Equity Steering Committee, International Equity Steering Committee, Fixed Income Steering Committee, Multi-Asset Steering Committee and TRPIM Investment Steering Committee with regards to counterparty risk.

(2) **Portfolio risk** – market risk, including liquidity risk, of investment positions within a portfolio. To maintain and ensure the appropriate level of risk for a portfolio's objective, we monitor daily the exposure to equity, fixed income, foreign exchange or other instruments. The expected cash flow requirements for the portfolio influence how we manage the liquidity of the underlying investments. We use various measures of liquidity, including outright cash levels, percentage of daily average traded volume, vendor model-based liquidation schedules, etc., to ensure all funds or accounts have the desired level of liquid assets to meet potential obligations or redemptions. Both Investment Compliance and Investment Risk monitor portfolio positions relative to prescribed portfolio risk profiles and frequently report significant exposures to portfolio managers, investment steering committees and oversight committees.

The level of investment risk within a portfolio is primarily dependent on the investment objectives as documented in investment management agreements with clients or in the prospectus of the T. Rowe Price fund. Portfolio managers, being the first line of defence in investment risk management, and other investment management personnel monitor investment activities on a daily or real-time basis.

The US Equity, International Equity, Fixed Income and Multi-Asset Steering Committees review and monitor investment performance and risks associated with investment activities on a regular basis. In addition to the investment steering committees, the Liquidity Risk, Derivatives Risk and Counterparty Risk Committees are responsible for identifying, measuring, monitoring and overseeing the control and, where possible and necessary, mitigation of risk associated with the management of our clients' portfolios. We also monitor investment risk through the Investment Compliance and Investment Risk teams.

Responsible risk mitigation is reflected in our approach to portfolio construction, which seeks to create portfolios with diversified factor, currency and sovereign risk. Portfolio managers, as the risk owners, are supported by the Portfolio Risk team and overseen by the investment steering committee for their business area and by the independent ROSC. The head of Portfolio Risk and the senior risk managers for Equity Risk, Fixed Income Risk and Multi-Asset Risk, along with their teams, are responsible for identifying, measuring, monitoring and communicating key risks to portfolio managers and management in the investment divisions.

Assessing market-wide risk

In terms of assessing market risk, the foundation of the investment process at T. Rowe Price is proprietary, fundamental, bottom-up research on securities for our clients' portfolios. Assessing the potential for political risk is an important component of this process. We have invested in significant internal and external resources to understand political and regulatory risks at the industry level. The Washington and Regulatory Research (W&R) team works within the Investments Division at T. Rowe Price to provide guidance to portfolio managers and analysts as they incorporate political, regulatory, legal and legislative risks into their stock ratings and asset allocation decisions.

The W&R team undertakes a four-stage process in regulatory risk evaluation:

1 IDENTIFICATION OF POTENTIAL POLITICAL CATALYSTS

This is based upon news flow and prospective events with critical market significance, or in reaction to events or potential risks for a sector, or industry, as identified by a portfolio manager or analyst.

2 FACT FINDING

Once the catalyst is identified, the W&R team initiates a "bottom-up" research process mirroring the fundamental analysis T. Rowe analysts conduct each day. They interview subject matter experts, former government participants, and influential political actors to understand the policy mechanics and political implications of the policy catalyst in question.

3 THESIS TESTING

After developing an accurate and robust informational mosaic to frame the policy catalyst, the W&R team holds a series of internal meetings with investors and other information sources to discuss findings and initial conclusions, testing the team's thesis and assessing alternative perspectives.

4 RECOMMENDATION

The W&R team then publishes platform-wide research featuring its conclusions and offering a clear and actionable recommendation for investors to respond to the potential catalyst.

Case study: in action – the US CHIPS & Science Act of 2022	
Catalyst Identification	The W&R team leveraged publicly available commentary from the Biden administration, congressional leaders and media coverage of the ongoing semiconductor shortage debate in the US to identify the possibility of a bill providing for significant subsidies for US-made semiconductors.
Fact-Finding	The W&R team analysed previously introduced semiconductor subsidy and industrial policy legislation, public commentary and speeches from current and former congressional lawmakers and platform positions from the Biden administration to identify areas of bipartisan agreement, including, but not limited to, support for semiconductor fabrication plant construction, research and development (R&D), regional innovation hubs and semiconductor-specific tax incentives. Once subsector beneficiaries were identified, the W&R team leveraged sell-side resources and expert network services to hold dozens of calls over multiple months with former regulators, former congressional staff, former local government officials, former federal officials, semiconductor company experts, lobbyists and industrial policy experts to assess the feasibility of the administration's goals and assign a timetable to prospective investments.
Thesis Testing	After developing initial conclusions, the W&R team held multiple internal meetings with sector analysts and portfolio managers to discuss takeaways, assess the perceived impact for companies under coverage and identify any gaps or ways the W&R thesis on the CHIPS & Science Act could prove inaccurate. The W&R team then worked to clarify and source its research findings, enhancing the thesis with the feedback provided by the investment team.
Recommendation	The W&R team wrote a comprehensive, sector- and subsector-level overview of the likely provisions to pass in a bipartisan chips bill, providing industry-level beneficiaries, potential risks in funding delays and a likely timetable for passage and funding distribution. This publication then allowed portfolio managers and analysts to engage in analysis of their own companies with the insight of potential upside or downside created from the passage of the CHIPS & Science Act.

Asset class investment considerations

Our Multi-Asset team uses analysis tailored to the client's unique objectives, risk/return profile, guidelines and underlying asset classes to design a portfolio's long-term asset allocation.

Our global tactical decision-making process then looks to overweight and underweight assets based on relative opportunities over a 6- to 18-month horizon. The relevant regional Investment Committee takes overweight and underweight positions in assets by considering the Asset Allocation Committee's global tactical views and complementing them with a regional perspective – for example, the UK Investment Committee considers the outlook for UK equities, gilts and UK corporate bonds in particular depth. The process uses the firm's deep knowledge of financial markets combined with our perspective on what drives returns and risks among assets. It is primarily based on fundamental analysis, including comparing our views on economic backdrop, valuations, sentiment, risks and other factors with broader market expectations.

To allow adjusting the asset allocation for ESG preferences of investors who wish to do so, we have developed a proprietary framework that incorporates the ESG risk scores of investments in portfolio optimisation. We published a paper outlining our framework in September 2022.

Incorporation of market-wide ESG risks in RIIM

Our sovereign debt Responsible Investing Indicator Model considers environmental factors such as carbon intensity of energy, policy for energy transition, baseline water stress and biodiversity protection in a country's profile. Additionally, our sovereign RIIM tracks metrics related to an issuer's social and governance profiles. This analysis is used to assess sovereign debt issuances, but more broadly informs our perspective on an individual country or region for analysts and portfolio managers in any asset class.

Case study: Uruguay (TRPA)

Our sovereign credit research analysts have engaged regularly with Uruguay over the years; these meetings have included a discussion on a range of sustainability topics such as Uruguay's biodiversity policy and its renewable generation mix, over and above standard fiscal and monetary policy topics. In parallel, as touched on above, our sovereign RIIM explicitly evaluates environmental factors, including, but not limited to, greenhouse gas (GHG) emissions and biodiversity preservation, which as bondholders we believe could, in the medium to long term, become systemic and thus become credit meaningful, potentially impacting a sovereign issuer's ability and willingness to repay debt. We believe these twin crises are interlinked and that sovereigns are a key part of the solution, particularly as we believe sovereign issuers should holistically address these two elements as against either not addressing them or addressing them in silos.

This year T. Rowe Price further enhanced this analysis of Uruguay, as our Responsible Investment team partnered with our Emerging Market Debt investment team, in an engagement focused on biodiversity and GHG reduction. In October 2022, Uruguay brought to market a first of its kind Sustainability Linked Bond (SLB), which had two key performance indicators (KPIs) focused on GHG reduction and native forestry (biodiversity), alongside step-up and step-down features. We leveraged our engagement(s) and a variety of proprietary ESG integration tools that we have built, including our proprietary sovereign RIIM and separate ESG sovereign-labelled bond assessment models, in assessing the SLB. Our assessment of Uruguay's credit and sustainability fundamentals; its ambition in setting stretch, yet impactful sustainability targets and elements of the post-issuance reporting, which we believe enhance credibility and transparency, resulted in T. Rowe Price participating in the deal for select emerging markets fixed income portfolios. In our opinion, actively tying a sovereign's cost of capital to relevant sustainability metrics, which over time could impact creditworthiness, aids in promoting well-functioning capital markets.

Illustrative example: Uruguay ESG bond model RIIM profile

● ESG Bond Rating – Not Applicable ● No/Few Flags ■ Medium Flags ▲ High Flags

○ **Issuer ESG & State-Society pillar profile**	Issuer RIIM Score Issuer SSP Score KPIs on Environmental and/or Social Targets Carbon Pricing Systems for Green or Sustainable Bonds
— **Framework, Standards & Verification**	ICMA-Aligned Framework Second Party Opinion (SPO) verification ■ SPO provision of rating/shade on framework
○ **Governance & Transparency**	Allocation of proceeds through an inter-ministerial committee or working group Transparency of budget tagging Institutional capacity to deliver on goals and through a political transition
○ **Use of Proceeds**	Credible proceeds or sustainability performance targets (SPTs) Refinancing allowance and lookback period Allocation of proceeds within timeframe SPT failure provisions SPT measurement date
— **Post Issuance Reporting**	Completeness of reported information

Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation. The views and RIIM profile for this specific security may have changed since that time.

How we promote a well-functioning financial system

Our Legislative and Regulatory Affairs (LRA) team monitors new and amended regulatory requirements globally, including those relevant to the work of the Responsible Investing and Governance teams. The LRA and our Responsible Investing and Governance teams participate in advocacy initiatives on a selective and strategic basis. Sometimes we will engage individually in policy advocacy, participating in public comment or consultation periods offered by regulators, as in the examples below.

2022 case studies

Developing a global baseline for corporate climate disclosure

Submission to the International Sustainability Standards Board (ISSB)

The ISSB was established in November 2021 to develop and maintain a comprehensive global baseline for climate and other ESG reporting by companies.

T. Rowe Price and many other stakeholders have called for greater consistency and comparability of sustainability- and climate-related disclosures by the companies in which they invest.

On March 31, 2022, the ISSB released its first two exposure drafts of corporate disclosure standards for significant sustainability- and climate-related risks: IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information and IFRS S2 Climate-Related Disclosures. These two draft standards potentially represent a significant step towards aligning voluntary corporate sustainability reporting frameworks around the world and could influence mandatory disclosure regimes worldwide. We filed comment letters in response to both exposure drafts, supporting the ISSB's proposals, in addition to making some technical suggestions to make the standards successful.

Developing corporate climate-related disclosures in US

Submission to the US Securities and Exchange Commission

On March 21, 2022, the US Securities and Exchange Commission proposed new rules to require companies to include climate-related information in their SEC registration statements and periodic reports. The proposed disclosure would require including information about climate-related risks that are "reasonably likely to have a material impact" on the company's business, results of operations or financial condition – as well as certain climate-related financial statement metrics and disclosure of a registrant's GHG emissions.

T. Rowe Price submitted a comment letter that explained that as an institutional investor, we welcomed the SEC's recognition of the need to improve reliability, consistency and comparability of climate-related data from issuers.

As a public company that will be subject to the new rules, we also recognised that some of these disclosures may be difficult and costly to create. As a result, we supported the proposal but also made a number of recommendations for improvements that might help the SEC strike the appropriate balance in its rulemaking between these two sometimes competing views.

Submission to ESMA's call for evidence on the Shareholder Rights Directive

In November 2022 we responded to the Call for Evidence from the European Securities and Markets Authority (ESMA) on the implementation of the revised EU Shareholder Rights Directive. The Call for Evidence covers a number of areas of the directive, but a particular area of focus was proxy advisers.

Given what we perceive to be certain misperceptions amongst some market participants, we were keen to clarify how we as a global asset manager use proxy research in our voting process and oversee our proxy advisers.

Our role in relevant industry initiatives

We believe collaboration with other institutions on industrywide issues benefits our clients. Where appropriate, senior members of our ESG Investing and Governance teams will take leadership roles in investment industry initiatives.

Chairing the Investor Stewardship Group	In 2022, Donna Anderson our TRPA head of Corporate Governance continued to serve as chair of the Investor Stewardship Group (ISG). The purpose of the group is to promote a baseline standard for corporate governance in the US market, where there is no stewardship code or similar requirement. More than 75 US and international institutional investors are members of the ISG, with combined assets in excess of US$30 trillion at year-end. In 2022, the group initiated a strategic review and highlighted on its website examples of effective governance-related disclosure by US issuers.
Participation in policy delegations to Japan	In September 2022, Jocelyn Brown our TRPA head of Governance, EMEA and APAC, participated in a virtual delegation arranged by the Asian Corporate Governance Association (ACGA) to engage with a range of Japanese policymakers. ACGA is an independent organisation dedicated to working with investors, companies and regulators to promote effective governance practices in Asia. In October 2022, our TRPA head of Governance, EMEA and APAC, participated in an in-person delegation arranged by the International Corporate Governance Network (ICGN) to meet with a number of key stakeholders on the topic of corporate governance in the Japanese market. Led by investors responsible for assets under management of around US$70 trillion, the ICGN promotes high standards of corporate governance and investor stewardship worldwide. The delegation was to promote the updated ICGN Governance Priorities for Japan, which were launched at a conference hosted by the Tokyo Stock Exchange the following day. The ICGN identified 36 governance priorities, which were discussed with the Keidanren (the corporate trade association), the Financial Services Agency (FSA), the Tokyo Stock Exchange (TSE) and the Ministry of Economy, Trade and Industry (METI). As an invited speaker at the conference, we publicly called for a change to the prime market listing rules to phase out single-gender boards, congruent with our global voting policy on board diversity.
Providing input to the consultations run by investor initiatives	We are active members of our local investor trade bodies, including the UK Investment Association and the European Fund and Asset Management Association. We provide input to their consultations and submissions to regulators. One noteworthy consultation in 2022 was run by the Global Impact Investing Network (GIIN). The GIIN is a nonprofit organisation dedicated to increasing the scale and effectiveness of impact investing. In June 2022, the GIIN, of which T. Rowe Price is a member, published draft guidance intended to enhance investors and policymakers' understanding of impact investing in listed equities and to help asset managers differentiate their impact investing. The draft guidance described expectations for the four aspects of the impact investing process: setting fund/portfolio strategy, portfolio selection, engagement and use of performance data. We submitted a letter supporting the GIIN's efforts and also making some technical comments.

Under Principle 10 we discuss how we participate in collaborative engagements and other investor initiatives.

Closing Reflection

Market conditions in 2022 have shown the continued importance of proactively identifying market-wide and systemic risks. Our Risk, Washington & Regulatory and Legislative and Regulatory Affairs teams play a key role in ensuring the risks are managed and the opportunities acted upon.

PRINCIPLE 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

How we reviewed our policies to ensure they enable effective stewardship

The committees or working groups within T. Rowe Price which review policies, practices and communications related to ESG include:

Internal and External Control Groups (Such as Business Units, Legal, Compliance and Audit)

The ESG Committees for TRPA or TRPIM

The ESG Taskforce

The review activities of each are detailed below.

Internal and external control groups

We operate according to industry standard three lines of defence within our risk management approach, relying on controls within the business units and assurance activities by Legal & Compliance and Internal Audit.

1
Business unit leaders
Responsible for overseeing our operations and managing risks specific to their business areas.

2
Enterprise Risk Group and Legal and Compliance
Support the business by providing advice, oversight, guidance and the tools/frameworks/policies for managing risk.

3
Internal Audit
Provide independent assurance that internal controls are operating effectively and that our risks are adequately mitigated.

Board-level ability to quickly address identified issues and continually assess and strengthen the overall risk management programme and relevant committees on a regular basis

Business unit controls

Each business unit has distinct controls and processes in place. As discussed above, oversight of our activities is provided by the relevant ESG Committee within TRPA, TRPIM and OHA. Additional working groups, formed with representatives of the ESG Committee and under its remit, are set up either for specific projects or on an ongoing basis. Other working groups are formed as required.

Enhancing ESG integration oversight within fixed income

As previously indicated in our 2021 submission, we established the Fixed Income ESG Steering and Advisory Committee (FIESTA) in June 2021. FIESTA reports directly to the Fixed Income Steering Committee (FISC) and is tasked with providing oversight of the division's ESG integration priorities while advising on future development and resourcing needs in this area. The committee has investor representation across all fixed income business units, as well as Brand & Marketing, Product, Investment Specialist Group and Responsible Investing (RI).

In 2022 FIESTA further enhanced its oversight of ESG integration within fixed income through the following initiatives:

- Fixed income portfolio ESG integration and monitoring was strengthened by incorporating sustainable revenue and green revenue alignment in data actively tracked by FIESTA daily
- FIESTA sponsored the incorporation of enhanced ESG monitoring metrics into our proprietary portfolio management platform

Information barriers between the advisers

A key focus in 2022 has been the establishment of protocols between TRPA, TRPIM and OHA.

In 2022 we established a new SEC-registered US adviser to allow us to generate new capacity while retaining our scale benefits and positioning our investment teams for continued success. To support the separation of the investment platforms of T. Rowe Price Associates, Inc. (TRPA) and T. Rowe Price Investment Management, Inc. (TRPIM), information barriers and associated controls were established. A similar information barrier was established as part of the acquisition of Oak Hill Advisors (OHA). Pursuant to the policies governing the information barriers, certain investment data will not be shared by and between the three advisors and their personnel, in order to support their independent decision-making.

The separation of TRPIM was planned and implemented over several years. One outcome that came to light as we began work on the 2022 Stewardship Report is that the information barriers put in place between TRPA, TRPIM and OHA introduced limitations on the build process we have used for the 2022 report. Key members of the Stewardship Report project team are TRPA Restricted Investment Personnel and so cannot receive non-public TRPIM and OHA content. When selecting examples, it was also a consideration that TRPIM had only been in existence for a few months. Thus, we excluded non-public OHA and TRPIM content from our 2022 Stewardship Report after thoughtful consideration.

How we align our investments with local legal requirements and market expectations

We contribute to a well-functioning financial system by implementing official exclusions which reflect our interpretation of legal requirements or market expectations in the region. This could include additional reporting or changes to our investment processes.

Case study: Implementing the EU's regulatory framework on sustainable finance

The European Union (EU) has been the first regulatory bloc to comprehensively implement sustainable finance regulation. Underpinning the EU's regulatory agenda is the establishment of an environmental and social data set known as the Principal Adverse Impact indicators under the Sustainable Finance Disclosure Regulation and the EU Taxonomy Regulation (Taxonomy). These data sets are specific to the EU regulation and mark a different path than what we have seen from other regulators, who have coalesced around Taskforce on Climate-Related Financial Disclosures standards.

The EU has grounded its sustainable finance agenda around the concept of double materiality, which means that investors need to consider the impact that ESG factors will have on financial performance as well as on the environment and society. The use of double materiality sets the EU apart from other regulators around the world. One set of metrics is designed to identify harm, and another set of metrics is designed to measure the extent to which an investment is promoting environmental and social objectives. This is where the concept of sustainable investments and the EU Taxonomy comes into play. These metrics are designed to measure the percent of revenue, operating expenditure, capital expenditure or use of proceeds a security has derived from a sustainable activity. Enhancements to our systems and data were made to support these new sets of indicators.

We set out our implementation of SFDR in a white paper published in October 2022 for professional investors only.

Another way we reflect local expectations is through limited sets of exclusions on our portfolios with an ESG integration mandate:

- We maintain a **global exclusion** list of 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.
- In our **UK-**, **Luxembourg-** and **Canada-registered portfolios**, 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 and incendiary weapons.
- In our **Australia-registered portfolios**, we maintain an exclusion policy on issuers engaged in the manufacture of tobacco products.
- 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 US or international sanctions.

Enterprise Risk Group, Legal & Compliance

Legal & Compliance provide legal and regulatory advice to the business units on ESG-related matters. Risk's role in ESG oversight is discussed in Principle 4.

Internal Audit

The processes overseen by the Responsible Investing and Governance teams are subject to assurance by Internal Audit.

2022 internal audit case studies

Case study: ESG disclosure consulting review

In early 2022, Internal Audit reviewed key disclosures related to Principles 5, 9 and 12 of the UK Stewardship Code, as part of the process of creating the 2021 Stewardship Report. The design assessment was focused on two areas:

- The enhanced sign-off process which would involve the T. Rowe Price Group Nominating and Corporate Governance Committee
- The data sources and calculations used for company engagement and proxy voting. These statistics and charts are presented in both the Stewardship Report and the ESG Investing Annual Report

The main outcome of the review was to flag the opportunity for more coordination between our "flagship" ESG disclosures, the ESG Investing Annual Report, the Stewardship Report and the ESG Corporate Annual Report. The points identified will be further explored in the Flagship Reporting Review, which commenced in autumn 2022. This is a cross-functional review which includes data and process mapping and will identify opportunities for business improvement. We will report on the outcomes of this review in the 2023 Stewardship Report.

Case study: Reviewing controls and processes related to ESG in fixed income

Internal Audit reviewed the internal controls and processes related to the conversion of fixed income SICAVs to responsible-branded funds under SFDR Article 8 and during the period July 1, 2021, to June 30, 2022. The exercise verified the ESG integration activities undertaken including the use of exclusion lists was as expected.

External Audit vs. Internal Assurance

Our internal control framework is the primary approach to manage risks and provide assurance on our stewardship activities. The assurance conducted by our Internal Audit team – in consultation with our Compliance and Risk teams – is a robust approach that capitalises on the teams' knowledge of our business and our internal controls framework for the assessment.

We continue to review what level of assurance is appropriate, and who it should be provided by, on a regular basis. One workstream of the Flagship Reporting Review is seeking third-party support to inform our understanding of emerging best practice in ESG assurance in 2023. In Q1 2023 Internal audit reviewed the approval process for the 2022 Stewardship Report, and the controls around our voting and engagement statistics, completing their work in April 2023. The third-party advisor will review our voting and engagement statistics as part of a broader pre-assurance exercise in H1 2023 and is expected to provide limited assurance on this area in 2024.

How review and assurance promote continuous improvement of our stewardship policies and processes

ESG Committee

As described under Principle 2, the work of the Responsible Investing and Governance teams is overseen by the relevant ESG Committees. The majority of the TRPA, TRPIM and OHA ESG Committees are investors, with additional representatives drawn from other teams. The matters approved by the TRPA ESG Committee are in line with the cadence discussed in the 2021 Stewardship Report. In the winter meeting new voting policy changes were approved, and the summer meeting resulted in approved changes to our ESG policies and exclusion lists.

ESG Taskforce

As discussed under Principle 2, the ESG Taskforce reports to the Investment Management Steering Committee. The executive sponsor of the ESG Taskforce is Poppy Allonby, head of ESG Enablement, and the two cochairs are Maria Elena Drew, director of Research, Responsible Investing, and Zoe Godfrey, head of ESG Marketing and Communications. The purpose of the ESG Taskforce is to increase the level of ESG awareness and communication within the business to develop a more globally calibrated perspective on ESG practices and to shape better communication of our activities with clients (and all other stakeholders). This taskforce and its sub-workstreams are discussed in more detail under Principle 6.

How we ensured that our stewardship reporting is fair, balanced and understandable

The core Stewardship Code Working Group for the 2022 report has primary representation from Investments, Editorial and ESG Marketing. Content or advice was provided from subject matter experts in other business units, including Corporate ESG, Legal, Product, the Investment Specialist Group and Distribution. Global Communications Compliance also reviewed this submission in accordance with local regulatory and internal firm requirements.

Internal Audit reviewed a sample of case studies in the 2022 Stewardship Report to ensure that the presentation was a fair representation of the underlying working materials, including the ESG integration analysis, engagement notes and voting commentary.

Case study: Reflecting feedback from ESG Taskforce members in the stewardship report

Feedback from ESG Taskforce members identified that there was interest in extending the scope of the 2022 Stewardship Report beyond merely disclosing in line with the UK Stewardship Code.

- There was interest from European clients and prospects in demonstrating how T. Rowe Price meets the disclosure requirements of the Shareholder Rights Directive II which relates to voting, engagement and the use of proxy advisers. The mapping between the UK Stewardship Code disclosure and the EU requirements is set out in Appendix A.
- We have been signatories to the Japanese Stewardship Code since 2014, and our disclosure is hosted on our Japanese website. A mapping between the UK Stewardship Code disclosure and the Japanese Stewardship Code requirements is set out in Appendix B.

Amendments to the review process for the 2022 Stewardship Report

An independent reviewer supported the working group during the document creation phase. The reviewer provided an assessment as to whether the document was in line with the code as part of the sign-off process. As in Q1 2022, the Internal Audit team undertook an assurance exercise of the voting statistics. In addition, they reviewed the investment team's working documentation related to the case studies in the 2022 Stewardship Report for the first time.

The Board of T. Rowe Price Group, Inc., oversees the operations of the corporate entity, and it has delegated ESG oversight to its Nominating and Corporate Governance Committee (NCGC) pursuant to the NCGC Charter. Our Stewardship Report was reviewed by the T. Rowe Price Group NCGC.

We believe the size of T. Rowe Price's AUM qualifies us to be a very large organisation, and only independent non-executives serve on the NCGC. In February 2023 the NCGC approved the filing of the document subject to review by the TRPA ESG Committee. As in 2020 and 2021, we consider the entire T. Rowe Price Group to be covered by this disclosure.

One piece of feedback we received from those involved in the review and sign-off of the 2021 report was that the process was unnecessarily duplicative as certain key individuals served on multiple reviewing entities. Hence the decision was made that the approval of the TRPIL board would not be required for the 2022 report, and only one member of our Chief Investment Officer (CIO) Group would review and sign off the document.

As per last year's process, Head of Global Equity and CIO Eric Veiel, who has overall oversight of ESG within T. Rowe Price Group, serves as the named signatory. He serves on our T. Rowe Price Group Management Committee as well as our TRPA ESG Committee – see Principle 2 for details.

Closing Reflection

Having completed one major acquisition in late 2021 and the establishment of a new, independent investment adviser a few months later, we fully expected 2022 to be a year when our focus turned to internal matters, organisational transition and re-alignment of oversight.

Given the vast majority of assets under management in the group are advised by TRPA, the reviewers felt that excluding non-public OHA and TRPIM content still provides a fair and balanced impression of our stewardship activities in 2022. However, the intention is to revisit the personnel involved in the process for the 2023 report to ensure that greater insight into the ESG activities of TRPIM and OHA is provided next year, while maintaining appropriate information barriers across legal entities.

2022 was the year that we moved from a disclosure focused on the UK Stewardship Code to a global Stewardship Report. We also saw progress on the Flagship Reporting Project, building on the Internal Audit review undertaken on the 2021 Stewardship Report.

PRINCIPLE 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Taking account of client needs

Our global client base continues to include many of the world's leading corporations, public retirement plans in the US, foundations, endowments, financial intermediaries, sovereign entities and global institutions.

More than ever, we remain focused on building long-term relationships with our clients. This is a priority, given increasing uncertainty across global and local markets. We believe in taking the time to understand our clients' needs, which vary depending on their geographical location, while ensuring that we keep both our clients and shareholders informed.

Investing for the long term

The fundamentals of our investment beliefs are to provide a disciplined, risk-aware investment approach focused on diversification, style consistency and fundamental research through our strategic investment approach. Our institutional and retail clients (via intermediary distribution partners outside the US) have long-term financial goals, often through assets that are linked to pensions and/or long-term savings and investment portfolios. We work to meet their needs through a predominantly active investment approach and a long-term horizon. While variations exist depending on the mandate of each portfolio, many of our strategies have an investment time horizon over a full economic cycle, which we regard as three, five or eight years. Markets are dynamic, and we believe investing should be too. To achieve our clients' objectives, our active, strategic investing approach focuses on the fundamental drivers of companies' future success, including environmental impact, social standards and governance.

Assets we manage

We manage equity and fixed income securities and use these building blocks to provide multi-asset and bespoke solutions. As noted in our 2021 report, we acquired Oak Hill Advisors, L.P., on 29 December 2021 to diversify our product offering and provide a separate alternative credit platform to our business model, see Principle 1 and 2 for details. We do not manage real estate or infrastructure investments as separate asset classes.

Total asset under management (AUM) in our care[1]	
2022	US$1,27 trillion (-24.5%)
2021	US$1.69 trillion (+14.9%)
2020	US$1.47 trillion

"Throughout this year, we have taken steps to slow our expense growth, including focusing on our highest-priority initiatives, slowing hiring and reducing planned third-party spend. We continue to evaluate market conditions and will consider other levers as needed to manage expense growth and support our ability to invest in strategic initiatives."

Rob Sharps, CEO and president

[1] T. Rowe Price, as of 31 December 2022. Firmwide AUM includes assets managed by TRPA and its investment advisory affiliates, including TRPIM. Figures also include our alternative credit adviser OHA, which operates as a standalone business within T. Rowe Price.

2022: A year of challenging markets and investor uncertainty

- In 2022, global financial markets were buffeted by a challenging economic and geopolitical backdrop that weighed on the performance of multiple asset classes. This contributed to declines in the value of many investment portfolios and an overall decline in T. Rowe Price's total assets under management.
- The economic uncertainty in 2022 was precipitated by geopolitical events, not the least of which was Russia's invasion of Ukraine in February. The ensuing energy supply crunch added to already surging global inflation pressures around the globe. Rising bond yields and interest rates added to concerns about growth and the prospects for recession in some countries. In response, some investors sought to reallocate exposures, including disinvesting or diverting cash.
- Several of our strategies performed well amid the market volatility; however, certain equity strategies did not meet the high standards we strive for. See Principle 1 for details on our strategic performance. Our 2022 study of long-term active versus passive investing demonstrates the resilience of our strategic investing approach has performed across market cycles.

Difficult decisions – steps to slow our expense growth

In the first half of 2022, we continued to invest in our strategic business goals which we believe provided us with the product, platforms and people for growth in the coming years. This included increasing the numbers of client-facing associates and investment professionals across the globe where they were needed, enhancing our technologies, introducing new product offerings and, most importantly, providing our clients with strong investment management expertise and service. See Principle 2.

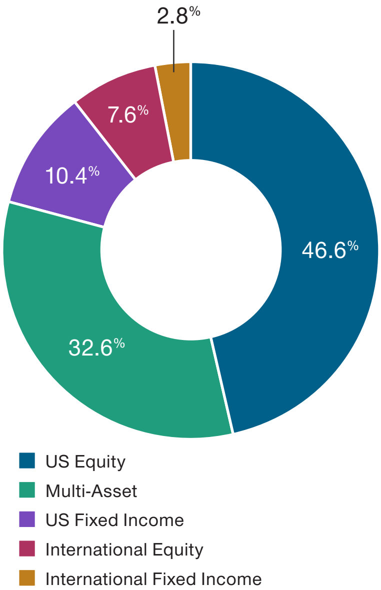
However, to address current market conditions and to protect our ability to invest for future growth, in Q2 2022 – against a backdrop of continued declining assets and slower growth, we began to reduce expenses. This was addressed by pausing some new hires and making targeted expense reductions across our business.

This has been an exceedingly difficult year for asset managers, including T. Rowe Price, and the challenges we have faced are likely to intensify. We remain focused on long-term performance for our clients and shareholders, and we offer stability by continuing to have a strong balance sheet while investing strategically across our business for long-term growth.

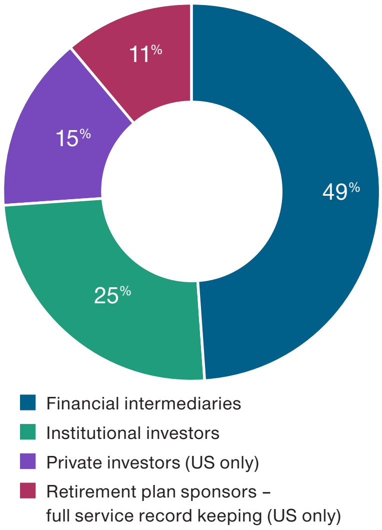
Assets under management – global client base, asset classes and geographies

As of 31 December 2022, we had US$1,27 trillion assets under management (AUM) in our care. Numbers may not total due to rounding. Total AUM includes OHA breakdowns below exclude OHA.

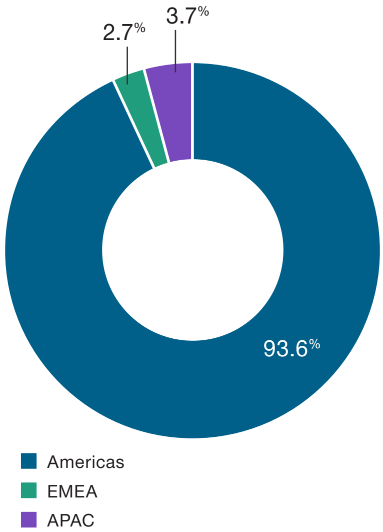
AUM by Asset Class (%)



AUM by Client Type (%)



AUM by Client Geography (%)



Geographical breakdown of asset class (%)

	US Equity	Multi-Asset	US Fixed Income	International Equity	International Fixed Income
USA	92.5	99.5	98.6	62.4	63.6
Canada	2.2	0.0	0.1	2.9	0.7
Japan	1.3	0.0	0.5	8.4	8.4
Europe Ex-UK	1.1	0.1	0.7	8.2	11.4
United Kingdom	0.9	0.0	0.0	1.9	6.6
Asia Ex Japan	0.9	0.3	0.0	4.4	3.8
Africa/Middle East	0.6	0.0	0.0	0.7	0.2
Other	0.5	0.0	0.0	1.3	1.0
Latin America	0.0	0.0	0.0	0.0	0.0
Australia	0.0	0.0	0.0	9.8	4.2
Total % of total AUM	**46.6%** (51.2% in 2021)	**32.6%** (29.1% in 2021)	**10.4%** (8.2% in 2021)	**7.6%** (9.3% in 2021)	**2.8%** (2.2% in 2021)

All data sourced by T. Rowe Price, as of 31 December 2022. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates including TRPIM and OHA. Asset breakdowns for clients, asset class and geographies exclude OHA.

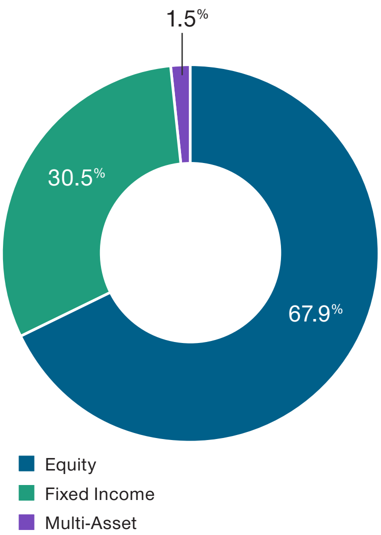
ESG pooled investment fund assets under management

As of 31 December 2022, assets under management for pooled investment funds with ESG commitments and objectives accounted for 1.6% of our overall AUM at US$19.1 billion. This figure includes:

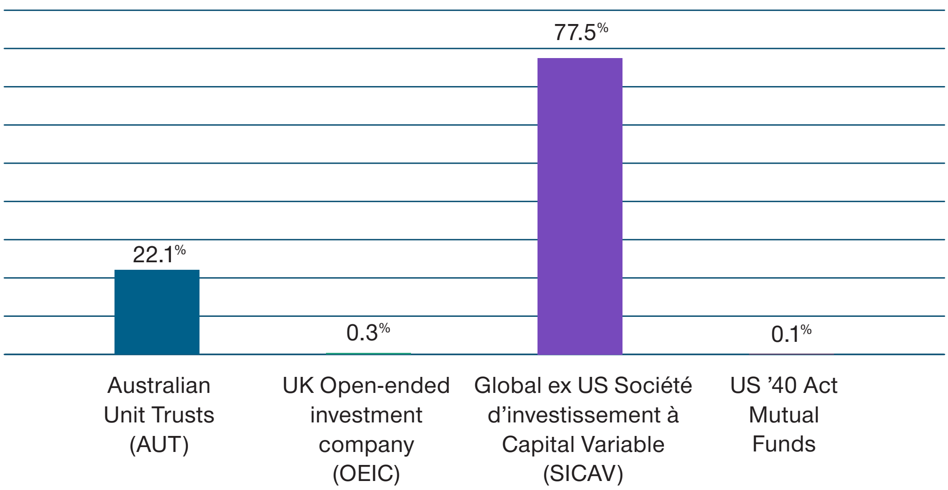
- ESG enhanced funds which promote specific ESG characteristics alongside financial returns. They incorporate binding environmental and/or social commitments that will vary by product type, such as values- and conduct-based exclusions, alignment to sustainable investments or positive tilt to RIIM scores; and
- Impact funds which seek to deliver positive societal and/or environmental impact alongside financial returns. Investments are made with the intention to generate positive, measurable environmental and/or social impact.

In accordance with a change to our accounting methodology, 2022 ESG AUM represents pooled investment funds that are actively marketed to clients and excludes separate accounts that have client-directed exclusions. T. Rowe Price is committed to providing stakeholders with meaningful, relevant, and decision-useful sustainability information. Therefore, we use Sustainability Accounting Standards Board (SASB) standards to provide industry-specific disclosure of material ESG issues. To find out more see our ESG Corporate Annual Report here.

AUM by Asset Class (%)



AUM by Pooled Investment Vehicle (%)



All data sourced by T. Rowe Price, as of 31 December 2022. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates including TRPIM but excludes OHA and T. Rowe Price managed separate accounts. Numbers may not total due to rounding.

Engaging with clients

Communication and deepening client relationships have played a key role in 2022, against a backdrop of challenging markets and uncertainty.

We engage with our clients to better understand their evolving needs, as well as to inform them of investment performance, provide investment commentary and offer insights and outlooks – including the impact world events can have on investments. We do this in the following ways:

Client relationships – local expertise across a global network

Our relationship managers are accountable for the overall management of the client relationship, providing service and support themselves. They address client due diligence and information needs, through request for proposals and due diligence questionnaires, helping them to better understand our business, products and investment approach. This is achieved through:

- A global network of regional, local language client relationship managers serve as the primary liaisons between the business and our clients and prospects
- The localised structure, with relationship managers in all our core markets, is designed to ensure alignment with distinct regulations, trends and client needs
- Client relationship managers are part of a local and global distribution team that is supported by local and global marketing and client support teams
- Clients benefit from both regional and global operations, systems and technology
- We seek to ensure clients have access to our content and insights in the way and frequency that best suits their needs. Content is aligned to the client type, stage of their relationship with us and the investments they have with us
- We share insights from our client engagements internally across our global distribution teams and the Investment Specialist Group, ensuring visibility of client needs from all regions and investor types

T. Rowe Price is committed to ensuring our associates remain competent in relation to their roles. Our relationship managers and support teams undertake regular training as part of their continuing professional development to ensure they maintain the skills, knowledge and expertise needed to perform their roles effectively. This includes, where relevant and as required, training on regulatory, product and market developments. See Principle 2 for training and education details.

Below is an example of how and who we engage with in EMEA to better understand their views (and those of their underlying clients) and investment goals around ESG:

Institutional clients

Regular two-way dialogue to understand their views on ESG issues and how our ESG capabilities could help them meet their investment goals. Clients' interests in and expectations around ESG and stewardship are gathered initially, followed by in-depth discussions and due diligence meetings.

The often-personalised investment requirements of institutions, that invest through separate accounts and our global mutual fund range, tend to have a need for more 1:1 engagement with not only investment teams, but also our legal, compliance and product development teams to develop solutions to reflect their investment objectives and values.

Investment consultants

Regular engagement on ESG issues as part of formal strategy research meetings, as well as focused meetings with ESG specialist teams at consulting firms. We have continued to contribute to consultants' industry-wide ESG surveys to help identify trends and inform areas for future development. We liaise with consultants to ensure we are delivering the reporting their clients need to meet their regulatory requirements. Furthermore, we closely follow the work and guidance of the Investment Consultant Sustainability Working Group both in the UK and the US.

Intermediary clients

We work with a wide range of distribution partners such as banks and financial advisers to understand the ESG needs and expectations important to them to help reach their end clients' investment goals. The relationship we have with our intermediary clients is fundamental to the growth of the business, enabling us to offer our 'wholesale' products from our regional UK or global ex US mutual fund range to many individuals and organisations.

Intermediary clients provide valuable insights into end-investor trends and needs, which help shape our offering.

Investment Specialist Group: investment expertise

Client engagement and distribution is augmented with the investment expertise of our global Investment Specialist Group. This group is part of the investment team with divisions in TRPA and TRPIM investment platforms and comprises investment specialists, portfolio specialists and portfolio analysts, who form part of the Investment Specialist Group but are closely aligned with the investment teams and, where relevant, the strategies that they support.

Their roles involve working closely with investment teams and maintaining a deep understanding of strategies and markets. In doing so, they free up investment teams' time, enabling them to stay focused on managing portfolios and conducting investment analysis. Specialists represent investment teams in meetings with prospects, clients and consultants, develop insightful investment content, analysis and messaging and advocate for portfolio managers, their investment strategies and the investment divisions.

They work with our client relationship managers, providing clients with deep insights across all our equity, fixed income, and multi-asset strategies which includes specialists dedicated to ESG.

Global Client Account Teams (GCAS)

GCAS work alongside our relationship managers, investment teams, marketing and other front- and back-office departments to provide client service, operational and client account management support for clients.

The type of investment the client is making determines if this support is from our core product material and documentation or if more bespoke service is required. For example, some of the services provided include supporting relationship manager with materials such as pitch books, regulatory documents and pre-onboarding that requires fact-finding with the client to ensure we fully understand their requirements. This can include a review of legal agreements, operational readiness in some cases and on-going servicing through relevant compliance reporting for each client type.

We have a regional GCAS model, with local language and market expertise. Our Global Client and Investment Reporting team (GCIR) who are a division within GCAS are members of the ESG Taskforce and various workstreams. GCIR have been central to the development and distribution of our ESG reporting produced for our funds. See ESG reporting section later in this Principle for details.

In-house and third-party industry events

- In addition to the regular dialogues we have with clients via our regional relationship managers, we also participate in sponsored third-party and in-house events across local, regional and global markets.
- Both digital and in-person events enable us to address and gauge areas of interest and concerns for our clients and prospects globally. They offer us an opportunity to network, listen and share – especially when they are in person.
- In 2022, as in 2020 and 2021, we continued with regular digital forums. Notably increasing coverage across our product offering around the world on the impact of Russian invasion on Ukraine including the actions we took across our portfolios on sanctions, investment performance and market outlooks.
- In Europe, for the first time since 2019, we held our in-person bespoke conferences in September 2022. These investment conferences were held in London, UK, and Frankfurt, Germany, where we welcomed 172 top clients and prospects from across the UK, Germany, the Nordics, Switzerland, Austria, Spain and Luxembourg. The theme of both events was 'The Great Transition'. More than ever, our clients are looking to us for support as they navigate financial markets, and they valued the real-time perspectives our investment professionals were able to offer on market volatility.

Image: Impact investing in a world of complexity with Hari Balkrishna and Matt Lawton, Impact portfolio managers, and moderator Véronique Chapplow, TRPA ESG investment specialist, who presented at both our UK and mid-Europe in-house conferences in September.

Case study: global client engagement and networking

Principles for Responsible Investing in-person and digital conference 29 November – 2 December 2022

For a second year running, T. Rowe Price was a gold sponsor of the PRI's flagship ESG event, which this time was held in Barcelona.

Maria Elena Drew, director of Responsible Investing (TRPA) was invited to be part of a panel discussing "M&A, divestment and capital expenditure: should investors divest to align with climate commitments?" during the event.

Our sponsorship of this event helps demonstrate our commitment to responsible investing and the importance we place on integrating ESG criteria into both our investment process and our business. The three-day conference gave us an opportunity to network and raise awareness of our ESG capabilities amongst clients, industry peers and partners.

Understanding the ESG values of our clients

We seek both internal and independent external sources to better understand the ESG values of our clients. The findings enable us to adapt and develop our approach to address client needs in areas that include regulation, ESG products and solutions, communications, education and servicing.

Agreed areas of focus are incorporated into our strategic and tactical planning.

ESG Market Intelligence workstream – 'the voice of the client'

The crucial role of the ESG Market Intelligence workstream is to bring 'the voice of the client' and their ESG needs, issues and opportunities into our business.

Formed in 2020 as part of our ESG Taskforce (see Principle 2) the ESG Market Intelligence workstream:

- Is a network of institutional, consultant, intermediary and direct (in the US) relationship managers for clients and prospects from across EMEA, APAC and Americas;
- Includes, but not limited to, representatives from product management, market research, legal, compliance and marketing also attend the ESG Market Intelligence workstreams;
- Meets every four to six weeks and
- Reports to the ESG Taskforce Steering Committee every six weeks, which in turn reports to senior management from investments and distribution twice per year to discuss progress and updates relating to each region/client type.

In 2022, we continued to draw on each region's own sub-workstreams to report local ESG topics and issues into this global ESG workstream, providing:

Client insights – Regular feedback and insights about evolving client needs and challenges to inform our ESG investing capabilities and communications. Areas of improvement or concern are escalated to the ESG Taskforce Steering Committee.

Advisory – Provides the client perspective to product development, communications activity, client reporting, membership, and support for industry-level initiatives. Many members of this group are also representatives in relevant project working groups, including those responsible for product development and regulatory developments such as Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy and Delegated Acts sustainable preferences.

Regulatory – Local representatives from across APAC, EMEA and America meet regularly to provide client facing teams with most up-to-date information on ESG regulatory developments and trends. We ensure well-informed conversations with clients through participation in our key trade associations and regular internal briefings. T. Rowe Price associates from Legislative and Regulatory Affairs, Legal & Compliance and Responsible Investing teams regularly participate in meetings and receive information from various ESG and sustainability committees of key trade associations, including the Investment Association, the European Fund and Asset Management Association, and the Investment Company Institute. Internally, we conduct regular ESG policy and regulatory briefings and updates with ESG specialist teams, including Responsible Investing, EMEA Corporate Governance, EMEA products and ESG Enablement.

Market research – We gather insights from a variety of independent, third-party industry studies and carry out our own proprietary market research to better understand the evolving needs, behaviours and attitudes of investors around the world, including our own clients. These insights inform our strategic priorities and tactical plans.

For example, we use a variety of sources to better understand perceptions of ESG topics across client types and in different regions:

- Client satisfaction survey – dedicated questions to surface regulatory concerns
- Syndicated ESG study – a global view of investor attitudes and behaviours that specifically probes SFDR and related regimes
- Brand surveys – to extract insights from third-party studies
- Internal feedback, including relationship manager surveys – to capture regional perceived scale and timings of impacts
- Consultants – active dialogue with consultants across the region

Proprietary and third-party client research

We use market research to enhance our understanding of the evolving ESG landscape and how the needs and perceptions of institutional asset owners, discretionary fund selectors and retail financial advisers are changing. 2022 marked the second year that we partnered with NMG Consulting, a specialist consulting and insights firm, on an annual, syndicated ESG study to explore trends across these different buyer types in the Americas, EMEA and Asia Pacific using a globally consistent methodology.

Findings from this and other third-party studies, as well as our own customised client research, are presented to the ESG Taskforce, regional distribution teams and global distribution executive management.

Most important ESG factors cited among asset owners by region (based on % of citations in top 3):

Europe	APAC	North America
Climate change and carbon emissions	Climate change and carbon emissions	Climate change and carbon emissions
Energy efficiency	Diversity, equity and inclusion	Diversity, equity and inclusion
Human rights	Board structure and voting rights Energy efficiency	Board structure and voting rights

Source: NMG Consulting

We track awareness and perceptions of T. Rowe Price's brand. We also conduct our own client satisfaction study to understand our clients' views on T. Rowe Price's investment, service and operational capabilities worldwide. We use the findings to understand where we are meeting or exceeding client needs and expectations and where there might still be room for improvement. These insights help to shape our client propositions for the future.

Clients are invited to complete a detailed questionnaire online about their overall experience and satisfaction with our investment and product capabilities, knowledge sharing, client service and operational support, as well as their familiarity with aspects of our ESG capabilities. The fieldwork for the latest EMEA study, for example, took place in the summer of 2022. Institutional and intermediary clients from nearly 20 countries in the region took part, with a significant increase in participation year-on-year – especially in the UK.

Key takeaways include:

- Our clients' perceptions of T. Rowe Price's client service remain very strong.
- Clients value the investment insights that T. Rowe Price provides, but there are opportunities to increase awareness and improve the delivery of content.
- While some clients are reasonably familiar with T. Rowe Price's ESG capabilities, overall, there is more to be done to increase awareness and understanding more broadly.
- Clients are generally satisfied with T. Rowe Price's growing product range and would like to see more equity and fixed income strategies, including those with an ESG orientation.
- Engagement preferences are varied; clients want a broader mix of virtual, hybrid and face-to-face events.

Actions we have taken:

We carry out market research and analysis throughout the year, and the insights we gather help to inform our efforts and monitor progress on various initiatives.

- We made significant progress last year to improve the coverage and visibility of our ESG reporting firmwide and across our funds and strategies, which we have reported on later in this Principle. We expect these efforts will be reflected in future brand and client satisfaction studies as awareness and familiarity continue to increase.
- In EMEA, we have initiated a marketing communication review to help shape our contact strategy. The aim is to improve awareness of what we already produce and to improve delivery so relevant content reaches our clients when they need it most. We look forward to reporting further on this progress in 2023.

Representative examples of EMEA midyear client survey ESG feedback and the actions we have taken:

'Increase the range of ESG funds'. 'Increase the number of Article 9 SFDR funds offered'. **Financial Adviser, Italy**	As noted in Principle 1 and Principle 7, we grew our ESG product offering in 2022. ■ Expanded our Impact (Article 9, as defined by SFDR) offering to include global credit and US equity asset classes in our SICAV range, with plans make these available in other markets. ■ Evolved our SICAV investment proposition in October to 26 funds classified as Article 8 under SFDR. ■ As at year-end this accounted for 82% of our SICAV fund range being classified as Article 8 or Article 9 (Impact), which is 55 of our funds that account for US$14.5 billion in AUM – reflecting each portfolio's commitment to positive environmental and/or social characteristics.
'Provide more detail on the carbon footprint of portfolios'. **Research & Selection, France**	■ In the Q3 reporting cycle, the existing fund level Carbon Footprint Reports for our SICAV and OEIC fund ranges were enhanced to include scope 1–3 emissions, in addition to the existing scope 1 and 2 carbon emissions data[2]. ■ Other investment vehicles and separate accounts will see the updates in future quarters.
'Increase alternatives, private markets, impact investing and net zero alignment'. **Anonymous**	■ We have diversified our product offering with OHA, an alternative credit specialist, see Principle 1. ■ Our Impact product offering was expanded in 2022, see above. ■ We became a signatory of the Net Zero Asset Managers initiative[3] this year and remain committed as a global corporation and a fiduciary for our clients and shareholders to responsible investing.
'We would like there to be more frequent webinars'. **Portfolio Manager, Intermediary, UK** 'The timing of sharing broad outlook information could be improved'. **Financial Adviser, Intermediary, Italy**	■ We have increased monthly and quarterly fund and investment webinars, offering timely insights into actions we are taking given market conditions and their impact on our investment decisions. ■ Our end of year 2022 Global Market Outlook (GMO) live webinar event – 88% of respondents said the event met or exceeded expectations. This event come with digital, live, and downloadable tool kits of insights from our GMO report. ■ As stated earlier in this Principle, for the first time since 2019 we reinstated our in-person annual conferences, welcoming 172 top clients and prospects from across the UK, Germany, the Nordics, Switzerland, Austria, Spain and Luxembourg. ■ Our ISG investment specialists saw a 16% increase in client meetings in 2022 than the previous year.

[2] 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).
[3] Excludes OHA.

Product needs

We conduct regular training for distribution teams on a range of topics that span product, pricing and marketing topics and tactics (see Principle 2). This helps create a dialogue across our business to ensure that the products we develop and manage are aligned for clients' needs and that their features are well understood by the professionals who position them.

We launch new funds and develop bespoke products only after careful analysis of:

- Investor need
- Investment objectives and an enduring investment case
- Commercial viability
- Potential to align or develop capabilities to address client needs

When we are entirely satisfied with the suitability and viability of an investment strategy and its purpose, we commit to fund launches and enhancements to our products.

Case study: Multi-asset product development

Addressing clients' ESG needs in the design and management of solutions

We partnered with a Scandinavian institution to design and launch two bespoke pooled funds to meet their investors' requirements – one for a global equity and the other for a global balanced mandate. These launched in February 2022. Throughout the process, we have worked with the client to understand their ESG and broader investment needs, which are reflected in a number of ways in the final product.

These portfolios were our first Article 8 multi-asset products as classified under the Sustainable Finance Disclosure Regulations, and others have since followed.

We implement the client's proprietary exclusion screen in the management of the responsible global equity and global fixed income components, while integrating ESG considerations as part of the security selection. We worked with the client during the year to ensure the exclusions we implement as part of the investment process fully reflect their responsible investment principles. In addition, our equity investments are benchmarked to indices excluding fossil fuel holdings. External investment managers selected to provide building blocks for Swedish equity exposure also apply the client's exclusion.

We conduct regular reviews of existing products to assess if they continue to deliver in line with objectives and stated benefits to clients. In recent years, significant work has been undertaken to evaluate existing products alignment to the evolving ESG regulations; for our EU product offering this spans the Sustainable Finance Disclosure Regulation, taxonomy, Principal Adverse Impacts and MIFID II Delegated Acts on sustainable investment preferences.

In our industry, 2022 was a year of interpreting the EUs sustainable finance regulation which we did through engaging with regulators, industry peers and clients as we developed our approach to sustainable investing, as defined by the SFDR.

Case study: EU Sustainable Finance Regulation and MIFID II

Engaging with clients and distributors to seek market intelligence on expectations

As part of the EU Sustainable Finance Regulation and MIFID II Delegated Acts, we sought the views of clients regarding Sustainability Preferences and PAIs to inform our implementation.

The head of Americas, APAC and EMEA Distribution, and head of Cross-Border Product Development & Management led multiple discussions with EMEA relationship managers and key clients and distributors.

This intelligence gathering process gave us valuable market insights to meet highly complex and evolving regulatory requirements and client needs. The process:

- Contributed to our strategic and operational approach
- Reinforced our understanding of the SFDR Article 8 and Article 9 product characteristics that are important to clients and aligned with their needs.

Keeping clients informed

We use the in-depth local knowledge and insights from our relationship managers, the direct feedback we get from clients and prospects, where they are investing with us and the proprietary and independent market research to build a picture of what is most important to them and their end clients.

The type of information we provide

We produce fund, market, sector and asset class information which we publish, as appropriate, to our country websites for professionals and share via webinars, emails as well as in person at client 1:1s, investment review or due diligence meetings. Examples of these include:

- Regular and timely (monthly and/or quarterly) detailed fund and separate account reporting, including fact sheets, portfolio manager commentaries and quarterly webinars across some of our largest portfolios.
- In 2022 for our European markets, we introduced 'Analyst's Notebook', a series of videos of our analysts as they share powerful insights and access into key industries and companies, helping them uncover promising investment opportunities for our clients.
- Topical and frequent insights, including ESG thought leadership and global market outlooks. These draw on research and intel from across our investment platform and subject matter experts that span our product range and capabilities. Such insights are particularly important to clients during times of uncertainty.

- Our ESG Investing Annual Report provides firmwide information about key ESG themes, engagement, proxy voting and investment approaches. We produce this globally for all markets. See the following section on ESG reporting for our products and our firm.
- Developed dedicated Impact investing pages on our websites, tailored as appropriate to local markets where funds are registered, providing a suite of content from annual reports, webinars, videos and insights which articulate our core impact investment principles and the impact that those decisions have made on our environment and society.

Case study: Our actions and views on Ukraine

Expert views on key themes impacting the markets and global economy

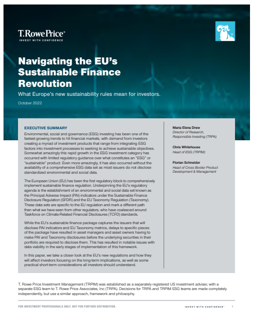
We are in compliance with sanctions against Russia, including those issued by the United States, the United Kingdom, and the European Union. The firm is monitoring this situation closely, both to ensure we comply with evolving sanctions and to uphold our fiduciary responsibilities to our clients.

We continue to provide our clients with robust market commentary and perspectives to help them navigate through market volatility and learn more about how we are managing investment portfolios. We share this information with clients via our websites, our regional relationship managers and through our marketing communications.

Case study: EU Sustainable Finance Regulation

Our approach to sustainable investing and what this means for our product offering

In October, immediately after we evolved our SICAV Article 8 products (see Principle 1 and Principle 7 for details) our director, Responsible Investing (TRPA), and head of Cross-Border Product Development & Management presented our approach to sustainable investing to institutional and intermediary clients across Europe. Providing and overview of the regulation, navigating phase 2 of SFDR and what this means for T. Rowe Price product offering (see Principle 7 for details).


T.RowePrice
Navigating the EU's Sustainable Finance Revolution
What Europe's new sustainability rules mean for investors.

This included a white paper and a live client event which could be replayed on demand. Our client relationship managers and broader distribution teams attended internal training sessions (see Principle 2) and have been equipped with a variety of internal resources to support their conversations with clients.

ESG reporting for our products and our firm

We produce several reports to help clients across the globe understand how we as business apply ESG and as an investment manager integrate ESG into their investments.

In 2022, we enhanced ESG content across our ESG Corporate Annual Report and several of our fund and strategy documents. We have provided some examples of ESG and stewardship reporting in the table below:

Firm-level		
ESG Corporate Annual Report	Previously known as Sustainability or Corporate Responsibility disclosure	Annual
ESG Investing Annual Report	ESG themes, engagement overview, proxy voting activity and investment approaches	Annual
Proxy Voting Report	Global proxy voting data, voting trends and analysis	Annual
Proxy Voting Pre-vote Case Studies	In 2022 we began publishing a series of TRPA case studies pre-disclosing our voting intentions before certain key meetings. Proxy voting is a critical component of our approach to corporate governance; we offer a high degree of transparency related to the votes we cast	Ad hoc
Stewardship Report	A description of how we aspire to meet our reporting obligations under the UK Financial Reporting Council's 2020 UK Stewardship Code, the EU's SRD II and the Japanese Stewardship Code	Annual
Strategy, for professional investors		
Strategy-Level Significant Votes	Aligned to PLSA Vote Reporting Template in the UK	Ad hoc
Global Impact Equity Report	Our inaugural impact annual reports articulate the decisions we have taken in the context of our core investment principles. Specifically, they aim to share with clients the impact that those decisions have made on our environment and society	Annual
Global Impact Credit Report		Annual
Fund and separate accounts, for professional investors		
ESG Reports	Outline of fund ESG integration approach and engagement case studies featuring meeting details, objective, discussion points and outcome	Quarterly
Proxy Voting Summary	Report containing all the portfolio's proxy votes cast in the period. Moved from annual to semiannual reporting in 2022	Semiannual
Carbon Footprint	Detailed carbon profile of funds (a minimum of 75% of fund's AUM must have data available). In addition to Scope 1 and 2 in 2022 we now include Scope 3 emissions	Quarterly
Impact Quarterly Reviews	Quarterly reviews include impact-related data, including alignment to SDG pillars, impact thesis of top holdings and key performance indicators	Quarterly
Separate Account ESG Reporting	Engagement and other ESG profile information	Mandate Agreement

Our ESG reporting for our funds are for professional investors only and, are available on our websites; you can also speak with your local relationship manager to find out more.

2022 reoccurring client themes

In 2022, some of the reoccurring themes and an example of insights we produced to provide T. Rowe Price's perspectives on the topic:

	Themes from 1:1s and client communications	Sample of topical T. Rowe Price insights for professional clients
1. Challenging markets	■ War in Ukraine – sanctions, defence and smart security ■ Inflation, recession cost of living, supply chains and energy crisis ■ Performance and regular updates	■ **December 2022/ Global Market Outlook:** The need for agility ■ **September 2022/Investment Insights:** Market Turbulence Puts Active Management in the Spotlight. Refocusing on company fundamentals favours quality stock picking ■ **June 2022/Market Outlook:** Navigating Challenging Currents. How can investors respond to the risks of recession in Europe and the US and a further ■ **March 2022/Investment Insights:** Assessing the ESG Implications of Russia's Invasion of Ukraine, Pressure to Reduce Dependence on Russian Gas Could Expedite Europe's Energy Transition ■ **June 2022/Investment Insights:** ESG Integration in Action – Circular Economies. How a circular model could support economic and population growth ■ **March 2022/Webinar:** Webinar Summary: Russia-Ukraine Crisis – Investment Implications. Summary of webinar in response to events unfolding in Ukraine
2. ESG regulation	■ Increasing the need for clarity around regulations. In 2022, with the EU Sustainable Finance regulation rollout this involved more in-depth dialogue across our client types, but particularly intermediaries on determining sustainability preference of their clients and product alignment. ■ Greenwashing concerns, with increasing need for reassurance about product classifications particularly within EU SFDR regime, ongoing ■ UK, US and Asian market ESG regulation frameworks are progressing – asset owners, managers and investors working through the consultation papers and interpretations of sustainable investing versus those being established in Europe ■ Increasingly European Fund and Asset Management Association priority turns to industrywide education	■ **October 2022/White Paper:** Navigating the EU's Sustainable Finance Revolution ■ **October 2022/Video:** Sustainable Investing in Developing Countries What Europe's New Sustainability Rules Mean for Investors ■ **June 2022/Investment Insights:** Evaluating ESG Bonds – What's Behind the Label? Greenwashing Risks Underpin Importance of Assessing an ESG Bond's Credentials ■ **February 2022/Investment Insights:** Unlocking Impact Outside of ESG-Labeled Debt Driving Real Change Means Investors Should Look Beyond the Label
3. Climate	■ COP 27 conference agenda; limited progress and outcomes ■ Transparency of investment management approaches ■ Net zero and climate target investment product ■ E is dominating the agenda over the S and G for investment priorities across majority of global client base	■ **May 2022/Investment Insights:** The Road to Net Zero. How the World Is Moving Forward on Emissions Reduction ■ **May 2022/Markets & Economy:** Emerging Economies and Their Race to Net Zero. Curbing Carbon Pollution Has Become a Global Imperative. What's in It for Emerging markets
4. Stewardship	■ Our role as active investment managers and the actions we have taken	■ **November 2022/Myths and Misconceptions in the Active vs. Passive Debate.** Looking deeper to sort fact from fiction ■ **November 2022/What Next for Diversity in the Boardroom?** Beyond gender: Diversity through a multidimensional lens ■ **September 2022/Investment Insights:** 2022 Aggregate Proxy Voting Summary. A Closer Look at Key Trends in T. Rowe Price's Recent Proxy Voting Activity ■ **How We Intend to Vote** – Seven Proxy Case Studies ■ **March 2022/Investment Insights:** For or Against? The Year in Shareholder Resolutions – 2021

Our thinking and insights can be accessed via the 'Our collected views' pages on our website for professional clients only.

Addressing client needs in stewardship

We take our role as a fiduciary of our clients' and shareholders' capital seriously. As a matter of principle, we put our clients' interests first. To justify the trust each client places with us, we work to understand their needs and find solutions to satisfy those needs.

The activities of the anti-ESG movement in the US have risen in prominence in 2022. While we have built multiple avenues to seek feedback from our global clients who place a high priority on ESG integration or impact investing, we are aware that we have just as many clients who express no views on such matters. Some even hold negative views about the potential effects an ESG orientation may have on their investment outcomes or regional economies. Given an environment of heightened state-level legislative scrutiny on US-based asset managers, a priority for 2023 will be to engage proactively with a wider set of client populations and other stakeholders to ensure we are receiving a balanced picture of our clients' priorities and perspectives with regard to ESG.

Closing Reflection

We have continued this year to grow and evolve our product offering, including our Impact range. We are investing in technologies to provide more in-depth ESG reporting insights, but recognise we need to improve awareness of the reporting we have and how we disseminate them.

In EMEA, we have initiated a marketing communication review to help shape our contact strategy. The aim is to improve awareness of what we already produce, to understand its effectiveness and to improve our delivery mechanisms so relevant content reaches our clients when they need it most.

We look forward to reporting further on progress in this area in 2023.

PRINCIPLE 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues and climate change to fulfil their responsibilities.

ESG integration

At T. Rowe Price, our goal is to help clients achieve their investing goals – whether financial, sustainable or both. We believe that ESG integration is essential to achieving this purpose, and as such, we incorporate the assessment of ESG issues into our investment analysis. Our philosophy is to embed ESG considerations into a research-led, active management approach to support our clients' investing goals. Our approach is driven by the following principles:

Integrated

We ascribe **responsibility for integrating ESG factors into investment decisions** to our analysts and portfolio managers.

Collaborative

We have **specialists in ESG and regulatory research who collaborate with our analysts and portfolio managers** to delve into situations where ESG issues are material.

Material

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.

We integrate stewardship and the consideration of ESG factors into our investments through our dedicated ESG investment resources and our proprietary tools and processes, creating purpose-driven solutions to meet our clients' needs.

Range of ESG capabilities designed to suit client needs

	Financial Only	ESG Enhanced	Impact[1]
Objective	Seeks to deliver competitive financial returns	Seeks to promote specific ESG characteristics alongside financial returns	Seeks to deliver positive societal and/or environmental impact alongside financial returns
Approach	Analyses ESG factors for the purpose of maximising investment performance	Incorporates binding environmental and/or social commitments that will vary by product type, such as: ▪ Values and conduct-based exclusions ▪ Green House Gas (GHG) reduction targets ▪ Alignment to Sustainable Investments ▪ Positive tilt to RIIM scores[2]	Investments are made with the intention to generate positive, measurable environmental and/or social impact

ESG Integration

Systematic consideration of material ESG risks and opportunities into investment analysis and investment decisions

Stewardship

Responsible allocation, management, and oversight of capital to create long-term value for clients and other stakeholders

ESG integration and stewardship is embedded across our product ranges and asset classes[3]

[1] TRPA only.
[2] TRPIM does not currently have any impact products.
[3] ESG considerations form part of our overall investment decision making process alongside other factors to identify investment opportunities and manage investment risk. At T. Rowe Price this is known as ESG integration. As part of our wide range of investment products we also offer products with specific ESG objectives and/or characteristics.

Dedicated ESG investment research resources

Our dedicated ESG investment research resources help our analysts and portfolio managers identify, analyse and integrate the ESG factors most likely to have a material impact on an investment's performance. At TRPA, our ESG investment resources are spread across three teams – Responsible Investing, Governance and Regulatory Research. They are further supported by dedicated ESG investment specialist resources. At TRPIM, our ESG investment resources are spread across two teams – ESG and regulatory research.

Our ESG Investment teams are further supported by an operations team focused on proxy voting and rely on dedicated ESG technology teams to help build out the firm's ESG research and investment tools. Please refer to Principle 2 for more detail on our teams.

Proprietary tools and processes

Integration of ESG 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 the following steps:

- 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, non-financial stakeholders or government officials.
- Proxy voting (for equities).

As discussed in last year's report, the process of ESG integration takes place on two levels. The first level starts with our research analysts as they incorporate ESG factors into security valuations and ratings, and the second level involves the portfolio managers as they balance ESG factor exposure at the portfolio level. Both the analysts and portfolio managers can leverage dedicated, in-house resources to assist them in analysing 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 analyse the ESG factors that could impact our investments. One such tool is a proprietary scoring system called the Responsible Investing Indicator Model, 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.

(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 bond, and securitised 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 are able to leverage ESG data sets 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. Having the breadth of coverage provided by using this quantitative data as a first step is also instrumental in informing our engagement programme.

For municipal and securitised issuers, the ESG data universe is still developing. Given that we have not yet found ESG data sets that we believe are robust enough to directly integrate into the RIIM framework, we use a two-step ESG integration process: analysis and integration. Our credit analysts conduct ESG analysis on each security. To do this, they utilise 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.

RIIM frameworks across asset classes

	1 IDENTIFICATION	2 ANALYSIS	3 INTEGRATION
Equities and Corporate Bonds	RIIM creates a Responsible Investing profile[4] 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 organisations 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.		
Securitised Bonds	Our securitised 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.		

While RIIM forms the cornerstone of our ESG analysis, it is supplemented by several other in-house frameworks we have developed to evaluate securities seeking to deliver on sustainable objectives – namely our ESG-labelled bond framework and Impact template.

We have built our own proprietary framework for evaluating the credentials of ESG-labelled bonds. Our ESG bond framework provides more robust analysis and ongoing monitoring of bonds within this category.

[4] The implementation and oversight of the RIIM for TRPA and TRPIM differ. The TRPIM RIIM covers equities and corporate bonds only. Green indicates no/few flags, orange indicates medium flags, and red indicates high flags.

ESG-Labelled Bonds – Evaluation Framework

ESG-Labelled Bond

ISSUER ESG PROFILE

- RIIM score
- Environmental and social commitments

POST-ISSUANCE REPORTING

- Detail on reporting plans
- Availability of audit report for allocation and/or impact reporting

USE OF PROCEEDS

- Credibility of use of proceeds or sustainability performance targets (SPTs)
- Unallocated proceeds
- Refinancing
- Time frame
- Provisions for unmet SPTs

FRAMEWORK, STANDARDS, AND VERIFICATION

- Alignment to International Capital Market Association
- Second-party opinion verification
- Governance structure for project selection

Our Impact Framework

All investments in our impact strategies start with an assessment of their alignment with the delivery of positive environmental and social impacts. This considers both materiality and measurability. To aid this assessment, we have built a proprietary framework which we call our Impact Lens. This framework helps to ensure we deploy a consistent standard for identifying impact activities, which feature three impact pillars and eight sub-pillars outlined below. Our Impact framework is able to leverage our RIIM analysis in order to ensure we comprehensively evaluate the potential of significant harm by a prospective investment, alongside other ESG risks.

Our strategy philosophy aligns with the UN SDGs, a globally recognised framework designed to end poverty, protect the planet, and ensure prosperity. We adopt a forward-looking perspective on change while ensuring all investment decisions are based on a clearly defined, positive impact thesis that is both material and measurable. The impact thesis for our investment in a renewables developer is set out in the impact report below. It is aligned with Sustainable Development Goal 7, which aims to 'ensure access to affordable, reliable, sustainable and modern energy for all'.

Case study: Global Impact Equity investing in a Canadian renewables developer (TRPA)

The Global Impact Equity Strategy has an investment in Brookfield Renewable Partners LP, which operates one of the world's largest pure-play renewable power platforms.

T.RowePrice®
INVEST WITH CONFIDENCE

Responsible Investing Analysis

TRPA Impact Mode

Brookfield Renewable Partners LP

Impact Thesis

Brookfield Renewable is a pure-play solar, wind & hydro electricity provider, generating zero carbon electricity across multiple geographies.

Impact KPIs

Metric	Units	Figure	Act/Est
GHG emissions avoided	mtCO2e	29	Act
Green energy generated	TWh	60.96	Act

Impact Universe Qualification

Alignment Criteria	GG	DNSH	Thesis
✓	✓	✓	✓

Alignments: % Yr 1 Revenue

Primary
1 - Climate & Resource Impact
1 - Reducing GHGs
2 - Decarbonisation & carbon capture

7 AFFORDABLE AND CLEAN ENERGY

Alignments

% Yr 1 Revenue

1 1 2 7

Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation. The views and profile for this specific security may have changed since that time.

How service providers have received clear and actionable criteria to support integration of stewardship and investment, including material ESG issues

When selecting data vendors, our prime consideration is the data points they are capturing and the coverage universe. We also consider the quality of their research process, which may include the expertise of their research team and practical considerations such as how frequently the data will be updated.

Each data provider is appointed with the expectation that it will undertake a specific role, such as providing portfolio-level carbon footprint data. We consider their responsiveness to our questions and requests when deciding whether to allocate future business to the third party. As detailed in last year's report, we have long-standing relationships with the core third-party data providers listed below.

Sustainalytics	We use data from Sustainalytics as an input to our proprietary Responsible Investing Indicator Model – this includes a range of data points covering environmental, social and governance topics. However, we do not use their overall ESG ratings as a signal in RIIM; we prefer to build our own signal which reflects the ESG factors we consider to be financially material. The specific data requested is set out in a contract schedule.
MSCI	We use research from MSCI to manage our socially responsible screens (exclusion list), which may exclude companies whose business activities involve controversial weapons (cluster munitions, anti-personnel mines, incendiary weapons), nuclear weapons, tobacco production, coal production, assault-style weapons for civilian use and adult entertainment. Socially responsible screens from MSCI also contribute to our process for determining our conduct-based exclusion list. The specific data requested is set out in a contract schedule.
Institutional Shareholder Services	We use proxy voting research from ISS as an input to our own custom research policy. We also provide ISS with our own voting policy guidelines, which it implements on our behalf. This custom voting policy will be discussed in more detail in Principle 12, but an example of such direction would be the introduction of our climate transparency gap voting policy in 2022. This was not a voting policy ISS offered to all its benchmark clients in 2022, but it reflected our views on the importance of adequate climate disclosure at operating businesses in industries with the highest carbon intensity. Our custom voting policy ensures ISS factors in ESG considerations that we consider to be important (see Principle 12).

This is not an exhaustive list of all data providers; we discuss our third-party data providers in more detail in Principle 8. We also consider the quality of the data collected, which includes such factors as the frequency and timeliness of data collection activities and the capabilities of the third-party supplier, e.g., size and sophistication of the in-house research team. Where we have identified data quality issues with any of our key ESG data vendors, we address these as soon as possible directly with the vendor relationship teams and request a remediation plan is implemented in a timely manner. Where we have access directly to more accurate data, we supplement our models with the correct data in the interim, until the data feed is fixed.

Systemic considerations

While company-specific, fundamental investment research is at the heart of our investment process, our analysts and portfolio managers also consider how top-down, systemic risks could impact their assessment of an investment opportunity. Our ESG investment resources frequently publish thematic research, which aids our investment professionals in their analysis of top-down, systemic risks.

Case study: The impact of the Ukraine conflict on the energy transition (TRPA)

One example in 2022 includes the impact of the Russian invasion of Ukraine on the energy transition in Europe, which noted that Russia is a major producer of many of the metals that will drive Europe's energy transition. Hence, reducing dependence on Russia will be more complicated than simply reducing natural gas imports. This work helped our portfolio managers consider the potential impact that the invasion of Ukraine could have on companies that produce crucial transition technologies, such as electric vehicles, solar panels and energy storage solutions.

Asset class considerations[5]

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
Securitised 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

[5] The implementation and oversight of asset class considerations for the RIIM for TRPA and TRPIM differ. The TRPIM RIIM covers equity and corporate bonds only.

Assessment of environmental and social factors[6]

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 robust 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)

[6] The assessment of environmental and social factors for the RIIM for TRPA and TRPIM differ.

Assessment of corporate governance factors

As discussed in last year's report, we focus on the governance factors that we consider to be most relevant given the issuer's sector, region and asset class. 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 that are aligned with the company's strategy
- The robustness of the internal control framework

Attention will be paid to the board's handling of any ESG controversies, including those related to employee relations and tax.

We employ both qualitative and quantitative approaches to the assessment of governance practices. Depending on the severity of the issues and whether there are any mitigating circumstances (for example, where a company appears to be trying to remediate the problem), the company may be added to the T. Rowe Price significant governance concerns list.

Thematic research case study

Our research considers variations in performance within sectors and regions. Our analysis of different emerging markets companies across the refining and petrochemicals sectors conducted in 2022 concluded that Latin American companies typically generally demonstrate better preparedness on ESG topics, including climate, than their Asian and Middle Eastern counterparts.

Assessing ESG preparedness across emerging markets refining and petrochemicals companies (TRPA)

Focus

Environment

Asset Class

Fixed Income

Country

Global

Background

Our fixed income and responsible investing teams worked together on a piece of research to provide analysts and portfolio managers with a framework for evaluating ESG preparedness in the refining and petrochemicals space. In this exercise, we aimed to:

- Outline the key ESG risks facing the downstream sector
- Assess the de-carbonisation options available for these companies
- Outline how different companies compare in terms of ESG preparedness
- Assess relative value versus ESG metrics

Although refiners have largely avoided having to pay a carbon tax historically, this could change in the future as countries attempt to align their emission trajectories with a 1.5°C world.

Analysis

The key ESG risks facing the downstream sector include operational greenhouse gas emissions and product substitution risk from lower carbon, recyclable and biodegradable alternatives

The main factors to mitigate operational GHG emissions include:

- Availability of cheap renewable power, to power the electrification of heat across processes
- Co-located green hydrogen facilities, to be used as fuel and/or in hydrocracking and hydrotreating
- Having a natural carbon sink in the vicinity, for residual GHG emissions
- Low-cost operations to absorb carbon costs

In terms of mitigating product risk, key factors include:

- Making investments into circular economy or bio-based feedstock
- Refinery integration into downstream businesses
- For petrochemicals companies, making investments into high-value-add products can help mitigate product risk

Based on our analysis of different companies across the refining and petrochemicals sectors, we concluded that Latin American companies are generally better prepared than their Asian and Middle Eastern counterparts. One key reason for this could be the higher exposure to high-value-add petrochemicals in Latin America compared with refining and basic chemicals for Asian and Middle Eastern companies.

In Latin America, we found that Orbia stood out in terms of current ESG metrics and GHG reduction targets.

We concluded that companies in the Middle East, particularly those using cheap gas feedstock, are able to weather carbon costs given their positioning in the top cost quartile. Overall, Turkish company Tüpraş lags peers on disclosures and transition strategy.

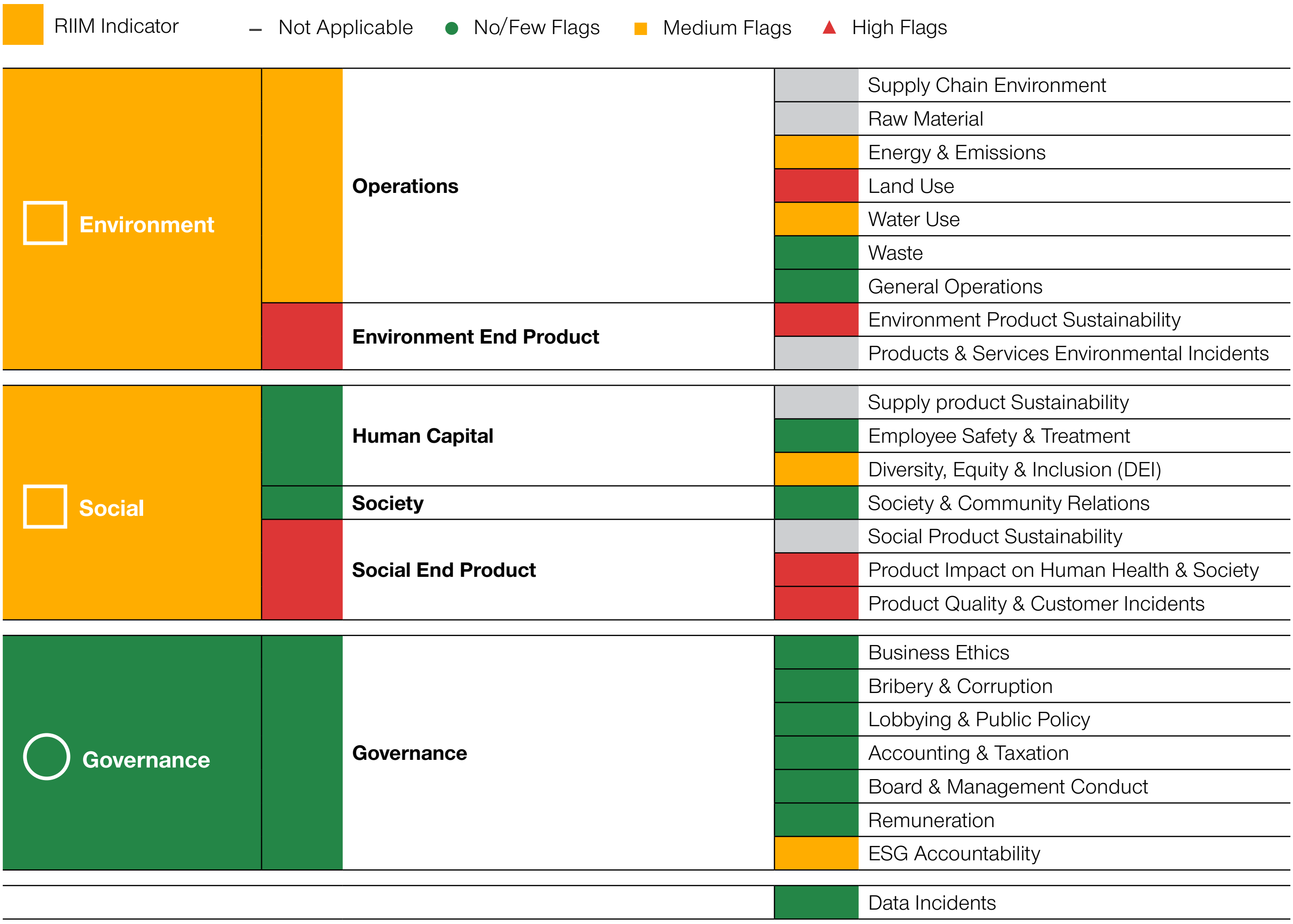
In Thailand, while companies overall are lagging, we found that they are taking proactive steps towards the ESG transition. Thai state ownership (PTT) and transition strategy will help group companies.

What do companies' emissions plans tell us?

Our analysis also looked at companies' emissions reduction plans, though data on this were sparse. We found that petrochemicals companies have started making investments into circular economy or high-value-add products to mitigate product risk. High-value-add products tend to be specialised and require more steps in the manufacturing process. They could also be used for important technology, meaning the materials not only have a higher value in terms of sales price, but are also likely to play a key role in the energy transition.

Moreover, we found that green hydrogen and associated renewable energy access remains a work in progress for most companies. This will be a critical factor to evaluate as part of our ESG engagements.

The Tüpraş RIIM profile demonstrates multiple areas of market-lagging practice



Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation. The views and RIIM profile for this specific security may have changed since that time.

Company-specific analysis

Alongside our thematic research, analysing the ESG characteristics of an individual security is a key responsibility for the Responsible Investing team, with input from Governance as appropriate.

Evaluating a building products manufacturer (TRPA)	
Geberit	
Focus	Environment
Asset Class	Equity
Country	Switzerland
Background	Geberit is green rated in RIIM. As a provider of sanitary technology and bathroom ceramics, its end products do not have such clear ESG tailwinds as some other companies in the building products space (e.g., manufacturers of insulation or heat pumps). However, as environmental performance is becoming an increasingly more important factor for developers, our analysis focused on the company's competitiveness in this area. We are therefore comfortable with a strong green rating overall in RIIM. In addition, Geberit appears better positioned (given its scale and high research and development (R&D) spend) to develop more water-efficient products over time and also adapt its product portfolio to market needs.
Analysis	We view water consumption as the most material ESG factor for Geberit, both during the manufacture of its products as well as their end use. Unfortunately, there are limited data available on the water used by its products and how this compares with competing products on the market. Although it may not necessarily impact financial performance today, we expect water use to become much more material in the future. Geberit does already consider several environmental aspects in its product design, such as resource efficiency, recyclability and durability – so it is taking steps to try and address these concerns. In addition, given the company's relatively high R&D spend and its large scale within the industry, we believe it is better positioned to develop more water-efficient products over time and also adapt its product portfolio to meet market needs. As with most companies in the building products and construction materials space, decarbonisation is a material factor. Geberit has made good progress on lowering its operational emission intensity and has targets in place to further reduce its scope 1 and 2 emissions (which are certified by the Science-Based Targets initiative (SBTi)) and utilises an internal carbon pricing system (initially set at E60/tonne) when making investment decisions. Although it is clearly positive that the company has targets to address its scope 1 and 2 emissions, there are two gaps in its decarbonisation strategy: (1) Geberit does not have a scope 3 target, despite scope 3 accounting for 85% of its total scope 1–3 carbon footprint, and (2) it has not set a long-term emission reduction target. These gaps in its decarbonisation strategy drive the orange rating in the energy and emissions sub-pillar in RIIM.
Outcome	We rated Geberit green in RIIM. We believe Geberit is better positioned (given its scale and high R&D spend) to develop more water-efficient products over time and also adapt its product portfolio to market needs.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

RIIM profile: Geberit

RIIM Indicator — Not Applicable · No/Few Flags · Medium Flags · High Flags

Environment	Operations	Supply Chain Environment
		Raw Material
		Energy & Emissions
		Land Use
		Water Use
		Waste
		General Operations
	Environment End Product	Environment Product Sustainability
		Products & Services Environmental Incidents
Social	Human Capital	Supply product Sustainability
		Employee Safety & Treatment
		Diversity, Equity & Inclusion (DEI)
	Society	Society & Community Relations
	Social End Product	Social Product Sustainability
		Product Impact on Human Health & Society
		Product Quality & Customer Incidents
Governance	Governance	Business Ethics
		Bribery & Corruption
		Lobbying & Public Policy
		Accounting & Taxation
		Board & Management Conduct
		Remuneration
		ESG Accountability
		Data Incidents

Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Evaluating a digital bank's financial inclusion exposure (TRPA)

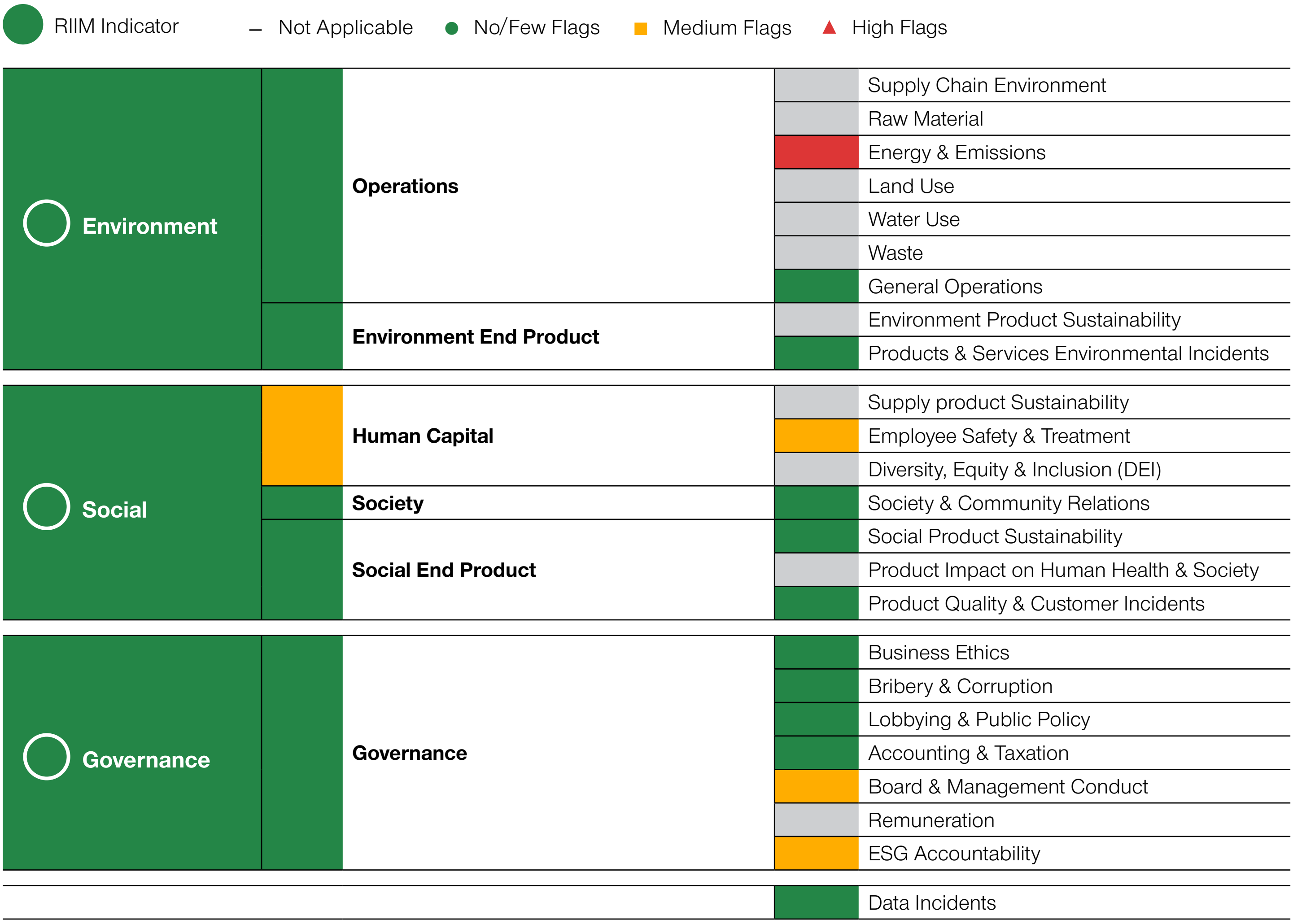
Nubank

Focus	Social
Asset Class	Equity
Country	Brazil
Background	Brazil-based Nubank is the largest fintech bank in Latin America. Digital banks can play a key role in democratising access to finance by making banking simpler, more accessible and cost-effective to the 1.4 billion people worldwide who are still unbanked[7]. The bank operates in Brazil, Colombia and Mexico, where 30%, 55% and 65% of the populations, respectively, do not have a bank account. When investing in digital banks, there are material ESG topics that we will evaluate. These include: - Environment - Affordability - Financial education - Customer satisfaction - Data privacy We evaluated Nubank on these factors.
Analysis	From an environmental perspective, digital banks lend themselves to having a lower environmental footprint versus brick-and-mortar peers, with Nubank's carbon footprint 96% lower than its incumbent peers. The company have also purchased carbon credits to offset its entire history of emissions (since founded in 2013) and is currently operating as carbon neutral across scope 1–3 emissions through the use of ongoing carbon offsets. The red rating in our energy & emissions indicator is because the company has not set any forward-looking emissions reduction targets, such as a science-based or net-zero target. From a social perspective, the company ranks highly due to its ability to provide more accessible and cost-effective banking services to customers in Brazil, Colombia and Mexico. Brazil has some of the highest bank fees in the world, and Nubank's lower-cost products have helped save customers US$4.8bln in bank fees as of 3Q21. The bank has also helped more than 34 million people feel empowered and provided 5.6 million customers with their first credit card or bank account as of FY21. In addition, the level of financial knowledge across its customer base is limited, and the company is trying to address this through investment in financial education. As of FY21, its financial education content across its blog channels had been downloaded over 186 million times. Furthermore, with a large retail footprint and a customer-centric culture, customer satisfaction is crucial for Nubank in attracting and retaining customers, particularly as the majority of client growth has come through word of mouth. The bank scores well on a number of metrics we evaluated, particularly in its exceptionally high Net Promotor Score (90 in Brazil, 94 in Mexico) and scores favorably on AP ratings and customer complaint volumes relative to its peer group. From a data privacy perspective, the bank has detailed data privacy and cybersecurity programmes in place, and unlike its peers, we found no evidence of any breaches or regulatory investigations.
Outcome	We rated Nubank green in RIIM. Overall, we found that the firm is a good candidate for impact-oriented funds given its low carbon footprint, large financial inclusion exposure and high customer satisfaction performance.

Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation. The views and RIIM profile for this specific security may have changed since that time.

[7] World Bank https://www.worldbank.org/en/news/feature/2022/07/21/covid-19-boosted-the-adoption-of-digital-financial-services#:~:text=Globally%2C%20some%201.4%20billion%20adults%20remain%20unbanked.%20These,the%20way%20to%20go%2C%20much%20more%20is%20needed.

RIIM Profile: NU Holdings Ltd

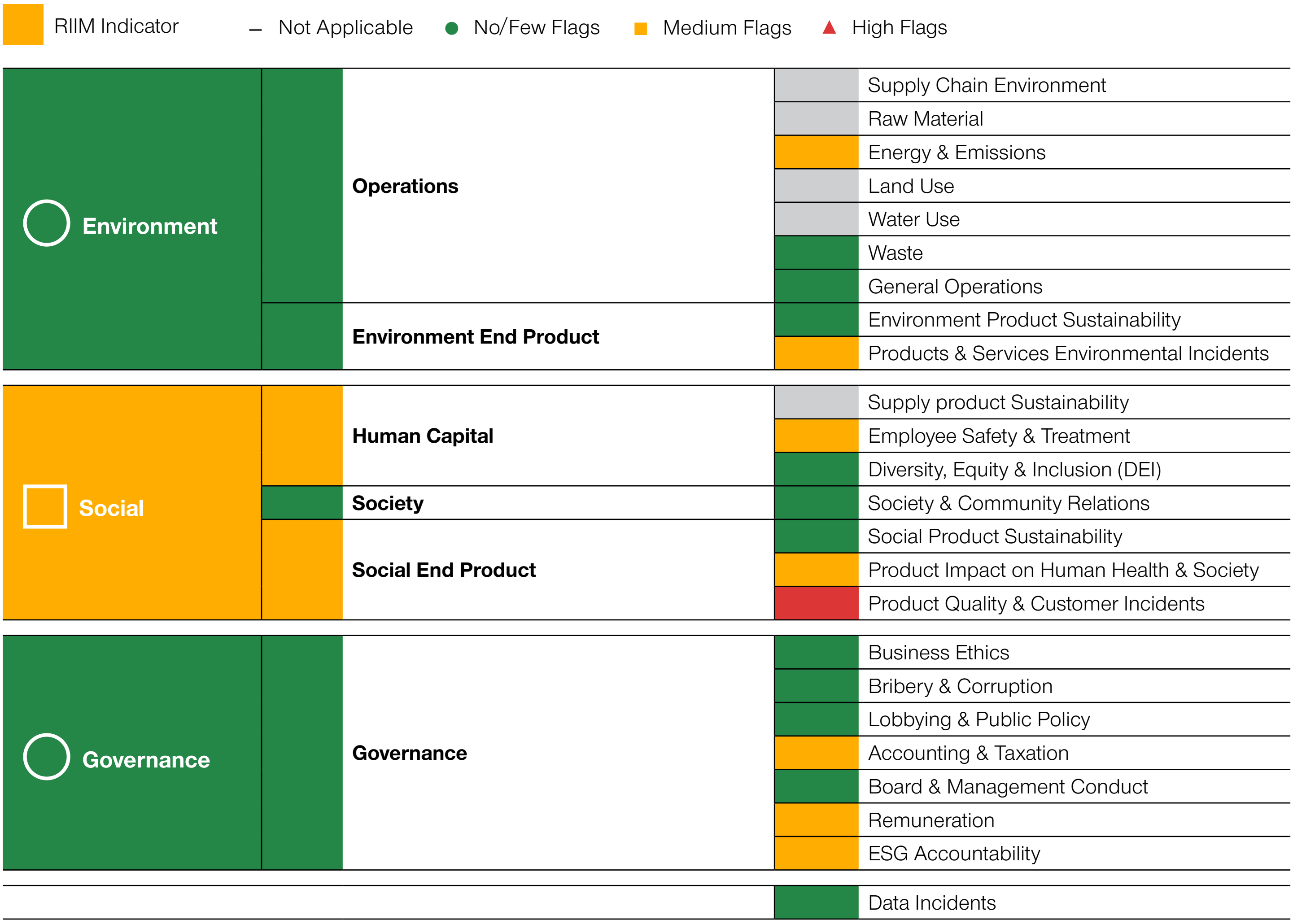


Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation. The views and RIIM profile for this specific security may have changed since that time.

Evaluating a US bank's response to ongoing ESG controversies (TRPA)	
Wells Fargo (WFC)	
Focus	Social
Asset Class	Equity
Country	United States
Background	Wells Fargo (WFC) is a large US bank with broad exposure to most retail and corporate banking asset classes. The bank has been subject to a number of ESG controversies in recent years, including in 2022, and members of the Responsible Investing, Governance and Investment teams met with the bank during the year as part of our ongoing evaluation on the bank's response.
Analysis	The bank remains orange rated in our proprietary model, stemming from the asset cap which continues to act as a headwind to revenue and efficiency improvements. During the year, the bank faced allegations that its employees scheduled fake interviews of minority and female job candidates in an effort to meet the company's relatively new diversity and inclusion targets. It is difficult to fully assess whether this was an isolated incident or was part of a systemic issue. However, when we articulated this concern during our engagement, the bank was not able to give us a convincing answer that it is not part of a more systemic issue. Nevertheless, we took positives that the bank has commissioned an independent racial equity audit and will likely be in a better position to discuss the topic more candidly in the future following the outcome of this audit (expected YE23) where we will re-engage with the bank. In addition to this, the US$2bln accrued in 3Q22 for historical litigation, regulatory and remediation matters suggests that litigation risks appear to be on rise over the coming quarters as the bank looks to address the legacy issues. The bank also guided to 'significant costs in coming quarters' on the 3Q22 call which could remain a drag on profits in the near term but will eventually help WFC put its historical issues behind it. Outstanding issues include unresolved consent orders, a possible US Department of Justice fine over housing-tax credits, probes of improper account freezes/closings and deposit-account fees and shareholder litigation. The termination of the consent orders and subsequent asset cap lift will be tangible signs that Wells Fargo has moved past its long-standing ESG issues. Finally, how banks are managing financed emissions on the balance sheet is a growing topic that Wells Fargo must consider. The bank published its in-house methodology to address financed emissions during 2022. This methodology was detailed and a thoughtful process to addressing financed emissions, and encouragingly WFC is one of a handful of global banks that include both undrawn commitments and capital market activities (alongside drawn loans) in these targets. However, the bank remains behind global peers in two areas of emissions. Firstly, WFC's published financed emissions are more limited in scope than peers (they only cover the oil and gas and power sectors while peers have reported on a wider set of sectors). Secondly, we are supportive of bank taking an engagement approach, rather than an exclusionary approach, when it comes to managing down its financed emissions, but it is paramount that banks have a framework in place to evaluate the credibility of borrowers' transition plans. Many peers have frameworks in place, while our engagements with Wells Fargo suggested that the bank did not have a clear framework in place, nor is there yet a clear timeline for its development.
Outcome	We continue to see elevated ESG risks at Wells Fargo that explain the orange rating in our model. The Responsible Investing team will continue to engage with the bank to assess its response to elevated ESG risks, while the termination of consent orders and lifting of the asset cap remain the key events that will trigger the Responsible Investing team to re-evaluate the company's rating in our RIIM system.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

RIIM profile: Wells Fargo



Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation. The views and RIIM profile for this specific security may have changed since that time.

Using our impact tool to identify bonds issued by a US children's hospital (TRPA)	
The Children's Hospital of Philadelphia	
Focus	Social
Description	The Children's Hospital of Philadelphia is a paediatric hospital in Philadelphia, Pennsylvania.
Asset Class	Fixed Income
Country	US
Background	In 2022, we used our proprietary impact evaluation tool and template to identify bonds issued by The Children's Hospital of Philadelphia – a major North American centre for paediatric care. These bonds are now owned by our Global Impact Credit portfolio.
Outcome	Our impact tool and template identified that financing this issuer would have a positive primary impact with regard to the T. Rowe Price Social Equity and Quality of Life impact pillar – by improving health outcomes and providing health care solutions. This is alongside a parallel impact of meeting basic needs for patients who receive care under Medicaid – the US state programme that assists with health care costs for people with limited income. Additionally, we were able to use our proprietary tool and process to assign United Nations Sustainable Development Goal alignment to SDG 3 (Good Health and Well-Being) and SDG 10 (Reduced Inequalities).

Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation. The views and RIIM profile for this specific security may have changed since that time.

Throughout 2022, we continued to develop and enhance our ESG product offering to meet the regulatory landscape and our clients' needs. Please refer to Principle 5 for more details on our implementation of the EU SFDR.

We have continued to build our tools to support the development of our ESG products. We have introduced a framework for the assessment and identification of sustainable investments (as defined by the SFDR), which include modules that cover the good governance and Do No Significant Harm elements of the SFDR sustainable investment test. We have also integrated Principal Adverse Impact indicator views into our front-office portfolio management systems to assist our portfolio managers in their consideration of the PAIs.

In addition, we have expanded our proprietary data sets to include the net zero status of our investee companies. As well as feeding into RIIM, the net zero status of an issuer (and a portfolio) is now readily available to our research analysts and portfolio managers.

Closing Reflection

Throughout 2022, we developed our ESG product offering to meet the changing regulatory landscape and our clients' increasingly sophisticated expectations. We continued to systematise our ESG integration capabilities by enhancing our investment research and portfolio management tools. In 2023, we plan to continue to grow the climate analytics tools.

PRINCIPLE 8

Signatories monitor and hold service providers to account.

Third party monitoring

Fundamental research is at the heart of our investment approach. As an active investment manager, we conduct rigorous proprietary analysis at the regional, sector, industry and company levels. The vast majority of our research across all asset classes is conducted in-house, and this approach is reflected in the size of our research teams globally, which cover specific regions and industry sectors.

For the purposes of this disclosure, our comments in this section are limited to the service providers used for our ESG research and proxy voting. It does not include the many providers we use in the conduct of fundamental investment research.

Use of external service and data providers

Although proprietary research is the main driver of our investment decision-making, we supplement our ESG research capabilities with data and services from several external providers.

Examples include:

- **Sustainalytics** – We use data from Sustainalytics and other providers to feed our proprietary Responsible Investing Indicator Model.
- **MSCI** – We use research from MSCI and other providers to manage our exclusion lists.
- **Institutional Shareholder Services** – We use proxy voting research from external provider ISS as an input to our own custom research policy. ISS also provides our voting platform and our vote execution service.
- **Additional providers** – Several other service providers provide data which is an input to our ESG research across equity and fixed income. For example, Proxy Insight helps us analyse the reasons for significant investor dissent at key meetings.

In 2022 we developed our range of Asian governance data sources to meet the evolving needs of our investment teams. We contracted with a Japanese data provider, BDTI, as we were unhappy with the quality of governance data supplied by another vendor. We selected a Chinese proxy research provider in 2022, with a view to completing the contractual process in 2023. We also renewed our contract with Indian proxy research provider IIAS, which provides a domestic perspective on governance practices at Indian companies alongside the global perspective provided by ISS. An example of the limitations of trying to apply global good governance principles without reflecting a company's specific situation in the context of local market practice is discussed in the example below.

Case study: How our investors' local market insights influence voting (TRPA)	
Nari Technology Co Ltd.	
Asset Class	Equity
Company Description	NARI is a state-owned enterprise which mainly makes equipment used in the power grid.
Country	China
Issue	At the 2022 AGM the TRPA policy recommended against item 8, to approve a financial business services agreement because of its inclusion of a relationship with a group finance company.
Analysis	The TRPA policy is typically sceptical of related financial service arrangements because deposits made to Group Finance Companies may expose the company to more risk than using an independent third-party financial institution. However, our investment analyst noted that NARI is an electrical equipment supplier that sells products to the grid companies in China, the largest of which is State Grid, which is also NARI's largest shareholder and largest customer. NARI's customers are hundreds of local subsidiaries of State Grid at the province or city level. These local companies work with State Grid's in-house finance company, and the company set up a transaction platform to facilitate clearing between companies in the grid system.
Vote Decision	Given the circumstances of the company, we voted in support of item 8, to approve the financial business services agreement.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

We also undertook a significant procurement exercise during the year to select a vendor that could enhance our climate data research capability to support us in conducting climate scenario analysis across our investments in 2023. The vendor selected was MSCI.

External service providers complement our in-house research tools and processes, including those relating to ESG and stewardship. Among the contributions to our ESG and stewardship process are the following:

FUNDAMENTAL ANALYSIS

We use a wide array of external service providers to conduct fundamental research on material ESG topics to support investment analysts and portfolio managers. These providers may be asset class- or region-specific.

QUANTITATIVE ANALYSIS

Our quantitative analysis is underpinned by RIIM (our proprietary ESG rating system, discussed in Principle 7). Corporate RIIM utilises data from external service providers, such as Sustainalytics, which we complement with databases built in-house and our own fundamental research. Sovereign RIIM uses data from many sources, including the World Bank and NGOs. Our municipal bond analysis utilises geospatial ESG data.

SCREENING

Screening includes the use of data to manage the exclusion lists we apply to various funds. Our primary external data provider for exclusion lists is MSCI, which is supplemented with other ESG data providers and our own fundamental research.

How we monitor providers

We monitor third-party data and service providers closely. Service reviews are held regularly to discuss ongoing performance and any operational issues, although the frequency of such reviews will depend on the criticality of the data to our operations. If performance standards and expectations are not met, we communicate our dissatisfaction and request a remediation plan. If the vendor is not able to deliver on this plan within a reasonable time frame, we would ultimately terminate the contract.

In 2022 we have identified a small number of data quality issues within the service provided by our key ESG data vendors. When identified, we address these as soon as possible directly with the vendor relationship teams and request a remediation plan to be implemented in a timely manner. Where we have access directly to more accurate data, we have supplemented our models with the correct data in the interim until the data feed is fixed.

Contribution of ISS to our proxy voting needs

We use highly customised proxy voting guidelines, supplemented by the services that ISS adds to our voting process. Our specific guidelines for the Americas, EMEA and Asia Pacific and for impact-driven portfolios are included at the end of Principle 12. We apply a two-tier approach to determine and apply global proxy voting policies:

- **Tier 1:** Establishes baseline policy guidelines for the most fundamental issues, irrespective of a company's domicile. An example of a baseline policy issue is the importance of having independent directors on a company's audit committee.
- **Tier 2:** Establishes more targeted policy guidelines, considering specific governance codes and norms in different regions. This tier considers local market practices, provided they do not conflict with the fundamental goal of good corporate governance. Our objective with Tier 2 guidelines is to enhance shareholder value through the effective use of the shareholder franchise, recognising that no single set of policies is appropriate for all markets.

We actively participate in ISS's policy development process. In 2022, we participated in the ISS policy survey, including making a set of public comments in reaction to its proposed policies. We also participated in two ISS policy roundtables. When ISS publishes its list of new guidelines each year, the TRPA and TRPIM ESG Committees assess the list to determine whether it is appropriate to add the new policies to our custom guidelines.

Oversight of proxy voting advisory services

The TRPA and TRPIM ESG Committees oversee the activities of our proxy research provider, ISS. The ESG Committee conducts various service provider oversight activities throughout the year and reviews ISS's performance and service levels. We also ask ISS to provide voting results for a select sample of votes cast to ensure they were transmitted to the issuer in a timely and accurate manner. Documentation is reviewed by select members of the ESG Committee and retained by the Global Proxy Operations team. In addition to reviewing documentation, meetings are held periodically with ISS staff and senior management throughout the year, which include discussions on ISS's business plans, its service levels and forward-looking trends in corporate governance.

On a weekly basis, members of our Global Proxy Operations team, based in our Baltimore headquarters, and the lead from our Service Provider Management function, who oversees the ISS relationship, meet with two senior members of the ISS Governance Client Success team, an ISS regional director and our client success manager. The weekly agenda reflects any matters arising and includes a review of operational tasks such as account openings, client reporting, workflow issues within ISS's Proxy Exchange, our voting platform as well as any upcoming development and releases within ISS's Proxy Exchange.

On a monthly basis, ISS provides reports on volumes of meetings and ballots voted as well as accuracy and timelines of research and recommendations. We monitor against agreed benchmarks. To date, there have been no issues where ISS has fallen below the benchmarks. However, if required standards are not met, we have a service credits arrangement in place and would seek an explanation and potential remediation from ISS. We also monitor access to the Proxy Exchange platform.

Global Proxy Operations polls the Governance team regularly for any policy errors and is copied on correspondence between the Governance team and the ISS Custom Policy team. In the event of a policy application (or any other error), we would receive an incident write-up including root cause and remediation, and then track the remediation. Any errors or performance issues would also be reviewed during our annual proxy voting due diligence review.

Responding to an inadvertent data disclosure

ISSUE

A proxy research provider inadvertently made voting content available to outside parties.

ACTION

The supplier undertook a root cause analysis and fixed the technical issue which caused the breach.

OUTCOME

We determined that our clients had not been impacted and retained the provider.

One of the issues we discussed with our proxy advisory services vendor at our annual due diligence meeting was an incident involving inadvertent disclosures. T. Rowe Price's US mutual funds are required to disclose full annual proxy voting records on the US Securities and Exchange Commission's Form N-PX by the end of August each year. Our proxy services vendor is contracted to prepare and host this disclosure on our behalf.

Following the 2022 disclosure deadline, the vendor became aware of a flaw in the application code designed to suppress non-public vote rationales from being available within the Vote Disclosure Service dashboard application. As such, although rationales were not viewable by visitors to the website, they could be accessed using scraping tools that directly access the vendor's site.

Unfortunately, a third-party provider did, in fact, scrape the information from select client websites and posted it to their platform. The issue was not identified until six weeks later. A fix was immediately put into place to suppress this information from being returned to the Vote Disclosure Service server. Later, an update was made to all clients' staging and production sites to ensure no scraping tools could access data meant for internal client review. Our vendor coordinated with the third party and successfully negotiated the removal of the inadvertent disclosure from the third party's platform.

While any inadvertent disclosure of data is a matter to be taken seriously, T. Rowe Price's clients were not harmed by this incident. We already, voluntarily, elect to disclose all non-routine vote rationales for all co-mingled funds advised by us, including our US mutual funds. Therefore, the coding flaw resulted only in a temporary incongruency between certain of our disclosures of voting rationales. After we were informed of the incident, we confirmed that our disclosures had been corrected.

Case study: Product feedback delivered at our annual proxy voting due diligence review

In November 2022, the TRPA and TRPIM Governance and Proxy Operations teams participated in an on-site due diligence visit to the ISS headquarters

We provided feedback that:

- We were unsure of the economic justification for certain recommendations made to vote for a number of shareholder resolutions on environmental and social topics in the ISS Benchmark reports in the US market in the 2022 AGM season.
- We also requested that additional detail be provided in the Chinese benchmark research reports to reflect the feedback from the investment teams.

Closing Reflection

Our approach in in 2022 was largely unchanged from 2021, although we selected two new Asian governance data subscriptions given the feedback from our investment teams in the region.

T. Rowe Price also engaged in a procurement exercise to onboard climate scenario analysis capabilities to assess the impact of various climate-related risks on investment performance. The firm will leverage this capability for internal analysis and monitoring by Risk, Investments and Corporate ESG as well as reporting to meet regulatory, industry and client needs.

PRINCIPLE 9

Signatories engage with issuers to maintain or enhance the value of assets.

Company engagement

Our engagement programme is conducted by our portfolio managers with the support of our industry-focused analysts and our in-house specialists in corporate governance and sustainability in order to leverage their expertise on specific companies, industries or issues of an environmental, social or governance nature. We do not employ any third-party organisations to engage on our behalf.

As discussed later in Principle 9, the main change to our engagement process in 2022 was the fact that this was the first full calendar year that TRPA systematically tracked the targets set in the ESG engagements across our entire global portfolio.

Our engagement approach

Our engagement approach is driven by company-specific investment issues, such as:

- To what extent is management meeting our performance expectations?
- Who represents shareholders on a company's board? Is the board a strategic asset for the company?
- Which factors drive the executive compensation programme, and therefore the incentives of management?
- How robust are shareholders' rights at the company?
- How well is the company managing its environmental risks, human capital, facilities, stakeholder relations and long-term access to critical resources?
- Are there ESG risks that could negatively affect the interests of shareholders or bondholders (during the period before the instrument matures)?

We apply the same approach to engaging with companies whether the holding is in an equity or fixed income portfolio, and across all geographies. However, with non-corporate entities, the nature of these engagements means that each instance requires a tailored approach, based on the size of our investment, our relationship with the issuer, the state of the credit (whether in default or not) and other factors.

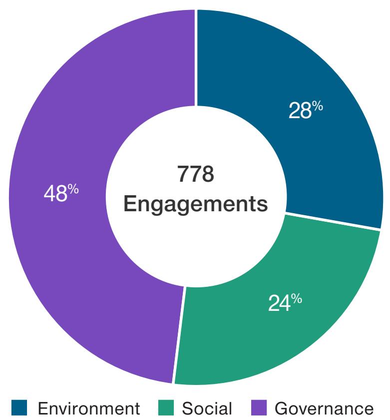
2022 engagement activity

Through the course of 2022, TRPA engaged with companies on 778 separate occasions on ESG topics. The list of companies with which we engaged is included in the appendix. The engagements by topic are shown in the chart below.

Our reporting in the 2022 report has been guided by the expectation set by the UK Financial Reporting Council (FRC) in its Review of Stewardship Reporting 2022 that 'engagement activities aim to achieve a specific purpose and should be considered separate from routine, monitoring interactions with issuers.' Our approach to monitoring is discussed at the end of Principle 9.

In 2022 we undertook broadly the same number of ESG engagements as in 2021. The split between environmental, social and governance topics was largely equivalent to the previous year.

Engagements by topic – TRPA



There was some change in the engagement topics by category compared with the prior year:

- The top three engagement topics were unchanged, but water and single use packaging/plastics were new in the top five for 2022.
- Four of the top five social topics were unchanged. Product safety and sustainability replaced lobbying activities related to social matters.
- In governance, succession was a new entrant to the top five topics.

Top 5 2022 engagement topics by category – TRPA

ENVIRONMENT

1. Greenhouse gas emissions*
2. Disclosure of environmental data
3. Product sustainability
4. Water
5. Single-use packaging/plastics

SOCIAL

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

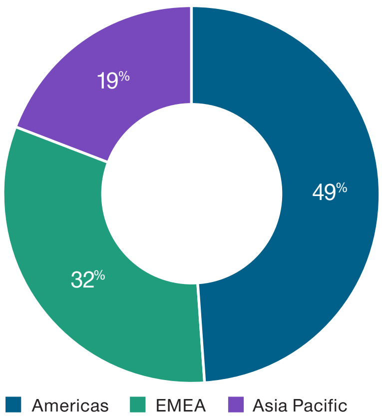
GOVERNANCE

1. Executive compensation
2. Board composition**
3. Succession***
4. ESG accountability
5. Disclosure of governance data

* Includes greenhouse gas, GHG reduction/net zero targets and financed emissions.
** Includes board independence and board diversity.
*** Includes both executive and board succession.

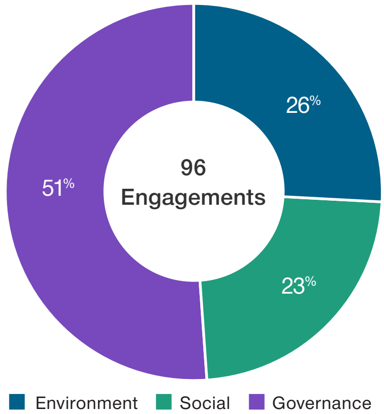
For the first time we are publishing the split of ESG engagements by region. Around half the ESG engagements in 2022 took place with companies in the Americas, and the other half took place with companies in the EMEA and Asia Pacific regions.

Engagements by region – TRPA



The 2022 report is the first time we have also presented the engagement statistics for TRPIM. The list of companies with which we engaged is included in the appendix. The engagements by topic are shown in the chart below. All TRPIM engagements were with companies in the Americas.

Engagements by topic – TRPIM



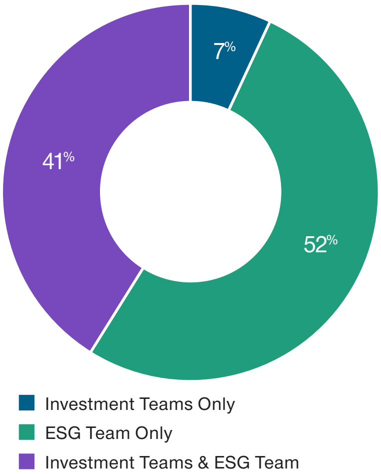
How we engage with companies

Our company engagement programme primarily takes place through formal letters to Boards of Directors, private meetings in our offices, conference calls and proxy voting. Just over half of all engagements are attended by the ESG team only; our investment teams, which include both investment analysts and portfolio managers, participated in just under half of all meetings. In terms of who we engage with, just under half of all meetings are with sustainability specialists or other managers. The proportion of meetings with members of the Board of Directors and senior managers in 2022 has slightly increased compared with 2022; the number of meetings with sustainability specialists decreased by 4% year-on-year.

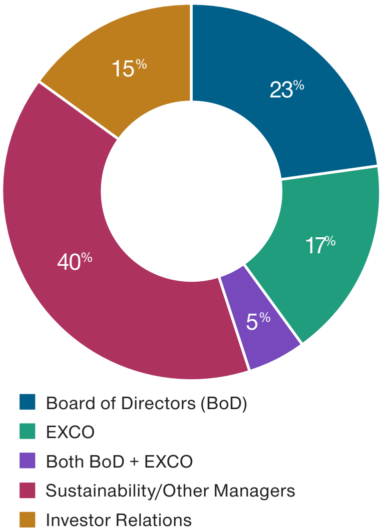
When a company is participating in a business practice related to ESG issues that we believe could inhibit our ability to reach our investment goals, we make that view known to the company's leadership through all means at our disposal (see examples under Principle 11). Our Engagement Policy (publicly available for investors via our website) sets out our approach in more detail.

The charts below show who participated in ESG-related dialogues in 2022 both from within T. Rowe Price and from the company side.

ESG engagement attendees – T. Rowe Price



ESG engagement attendees – companies



How companies can engage with us

The central contact point for inbound engagement requests on ESG topics to TRPA is through the shared inbox, engagement@troweprice.com. This allows our globally distributed team to see all incoming requests in a single location.

Newly established in 2022, the central contact point for inbound engagement requests on ESG topics to TRPIM is through the shared inbox, engagement.TRPIM@troweprice.com.

We encourage companies to visit our ESG homepage where we publish our Proxy Voting Guidelines, ESG Investment Policy, Investment Policy on Climate Change, detailed voting results with rationales, Engagement Policy, white papers and other documentation on a single webpage accessible to the public.

Companies wanting to engage in a market sounding with T. Rowe Price should contact our Compliance team via our Market Soundings shared inbox, Market_Soundings@troweprice.com.

How engagement differs for funds, asset classes or geographies

In general, our approach to engagement does not differ significantly between individual funds. However, the equity Impact strategies take a particularly hands-on approach to joining up their voting and engagement activities as part of their commitment to additionality, driven from discussions at the weekly Impact Research Meeting.

Our engagement meetings are open to holders of both equity and fixed income securities. Our engagement approach may vary by geography to reflect local market norms and regulations (for example, Principle 10 contains a discussion of how this impacts our willingness to undertake collaborative engagements).

When we engage

Our starting point is that we assume any ESG engagement will be relevant to the holders, whether the security is held within a fixed income or equity strategy. TRPA has an open-door meeting policy and a single calendar of upcoming company meetings across the organisation; TRPIM operates under the same approach with a separate calendar. Any analyst or portfolio manager is welcome to attend any company meetings, whether they cover or hold the company's securities or not. There may be a diversity of views in any company meeting, but the responsibility for leading the dialogue with the company sits with the relevant investment analyst. We may choose to open a dialogue with a company on an environmental, social or governance topic for a variety of reasons.

- Ahead of an Annual General Meeting, we may seek further information before we make the voting decision. This is particularly likely if we are a significant shareholder and the company is actively held. However, we will engage on behalf of any holding, regardless of size, if we believe it is warranted by the nature of the voting resolution.
- We may seek further information relating to the company's environmental, social and governance disclosures and practices, for example, if a change to the company's Responsible Investing Indicator Model rating was flagged in a portfolio review. If we have previously identified there is room for improvement, we may engage to encourage the company to strengthen these.
- Performance concerns, whether related to financial or nonfinancial metrics, is a frequent reason for engagement. The company may have been involved in a significant controversy, and we are speaking to understand its perspective. Alternatively, we may have concerns over the company's strategy towards a sustainability topic, such as climate change or employee treatment.
- Engagement requests may also be initiated by the investee company. These may be requested for a few reasons, including:
  - Ahead of an AGM, companies may request the opportunity to speak with us if an item on the ballot is particularly controversial and they have received a negative vote recommendation from one of the proxy advisers or because they are aware that one of their voting items is contrary to a T. Rowe Price voting guideline.
  - Companies seek feedback on environmental, social and governance disclosures which have been published or to invite comment on practices which the company is thinking of amending.
  - If the company has been involved in a significant controversy, management may wish to share their perspective with shareholders.

Pre-meeting engagement

Ahead of an AGM, we may seek further information before we make a voting decision. This aims to ensure we have sufficient information to make an informed voting decision. If we were not able to support the resolution following engagement, we will tell the company why. This may be through a pre-AGM notification email, or we will tell the company directly if they ask. We do not generally tell third parties, even those working on behalf of the company, how we plan to vote.

Pre-meeting engagement case studies

Engaging with a Japanese company on corporate governance-related allegations (TRPA)	
Fujitec	
Focus	Governance
Company Description	Fujitec specialises in the development, manufacturing and installation of elevators, escalators and other transportation systems.
Asset Class	Equity
Country	Japan
Engagement Objective	Fujitec was the subject of a “Vote No” campaign against its president following alleged misuse of corporate assets. The accusations were made by activist shareholder Oasis. We engaged with Fujitec on two separate occasions to understand its perspective on the allegations.
Participants	**From Fujitec (first meeting, June 2022)**: President; Chief Executive Officer; Executive Vice President; Director; Operating Officer **From Fujitec (Second meeting, June 2022)**: Outside Director; Lawyer; Director; Operating Officer **From T. Rowe Price**: Portfolio Managers (2)
Engagement Outcome	We engaged with Fujitec management to express our concerns over Oasis’s accusations. These included accusations of several inappropriate related-party transactions taking place between Fujitec and the president. We impressed upon management that a full review by a third-party committee was warranted. We also requested a call with Fujitec’s independent directors. During our second engagement, we held a call with the independent lead director, who explained why the board did not see the actions as problematic. We proposed ideas to improve governance, such as splitting the chairman and CEO roles. The company said it would consider this suggestion, in addition to other shareholder ideas. The T. Rowe Price policy recommended a vote against the president following Oasis’s “Vote No” campaign. Based on our dialogue with the company, we voted against the president’s re-election. Subsequently, Fujitec amended the proxy, and the president did not stand for re-election, although he was appointed chairman even though he did not stand for re-election to the board at the 2022 AGM; this has entrenched his power and is inappropriate given the severity of the allegations. Engagement with this company is ongoing. The latest development is an activist investor has convened an extraordinary general meeting (EGM) in February 2023 to remove the incumbent outside directors and replace them with candidates it sees as more likely to stand up for the interests of minority shareholders. This company has been subject to escalated engagement since 2020. Originally we engaged with Fujitec on three corporate governance topics: the need for an external strategic review to improve operational efficiency, the need to improve capital allocation and the need to lift governance standards across the business. We believed the company was demonstrating responsiveness and were disappointed to see the allegations of malpractice emerge.

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Engaging with a commerce platform on its proposed new share structure (TRPA)	
Shopify Inc.	
Focus	Governance
Company Description	Shopify is a multichannel and multinational commerce platform.
Asset Class	Equity
Country	Canada
Engagement Objective	We engaged with Shopify on its proposed new arrangement for its founder/chief executive officer
Participants	**From Shopify**: Director, Head of Special Committee; Director **From T. Rowe Price**: Head of Corporate Governance; Portfolio Managers; Investment Analyst
Engagement Outcome	At its shareholder meeting earlier this year, Shopify proposed an unusual arrangement for its founder and CEO. The previous arrangement was a typical dual-class share structure, with one class entitled to 10 votes per share. The high-vote shares were owned primarily by the CEO and one early investor. They had no expiration date. The proxy filing noted that the company's board had initiated negotiations to change the structure. The outside investor's shares would simply be converted to Class A shares, and the founder's shares would become a modified golden share. That is, regardless of how many shares he sells or how many shares the company issues, his stake will control a flat 40% of the vote. The golden share is not transferable, and it will expire on the date that the founder sells down to 30% of his stake at the time of the vote. Even if he sells the majority of his stake and/or leaves the company, the founder will maintain effective control. During our engagement ahead of the 2022 AGM, we questioned board members as to why investors should see this new arrangement as an improvement over the previous one and how it is aligned with our interests. We asked the board members to explain the decision process and to highlight any other arrangements they considered before putting this one forward. The change was subject to a majority-of-the-minority clause, a separate vote that excluded the founder's stake. Although we view the company and its founder favorably, TRPA elected to vote AGAINST the change. However, 53% of outside investors approved it and the conversion was put into effect.

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Gender balance on a UK board (TRPA)	
Imperial Brands plc	
Focus	Governance
Company Description	Imperial Brands is one of the world's largest tobacco companies.
Country	UK
Issue	Imperial Brands was identified for engagement during the UK board diversity screening exercise, following the publication of the final Hampton-Alexander review.
Analysis	Previously there was a long-serving female CEO, and unusually there is both a female chair and a female senior independent director. However, the board was only 20% female after the February 2021 AGM saw the appointment of three new male non-executives and the new male CEO. We engaged with the company to understand how the company planned to address the issue of board gender balance after the 2021 AGM.
Vote Decision	Two new female non-executive directors were appointed to the board at the 2022 AGM, bringing the board to 40% female. We voted in support of their appointment, and all other items.

Sometimes the desired outcome of a pre-AGM engagement is not seen in the year of the meeting. One change which we had raised with a company in 2020 and 2021 was finally implemented by the company in 2022.

Engaging on shareholders' rights (TRPA)	
IDP Education Ltd	
Focus	Governance
Company Description	IDP is the co-owner of International English Language Testing System (IELTS), the global leader in English as a second language tests for international students and migrants. IDP is also a global higher education placement agent.
Asset Class	Equity
Country	Australia
Engagement Objective	The company historically would not put long-term incentive (LTI) grants to executives for shareholder approval at the AGM. In 2020 and 2021 we asked IDP to put the LTI to the vote, stating that this practice was not in line with expected good governance practices at ASX300 companies.
Participants	2020 meeting **From IDP**: Director **From T. Rowe Price**: Head of Corporate Governance; Portfolio Manager; Investment Analyst 2021 meeting **From IDP**: Chairman; Head of People **From T. Rowe Price**: Head of Corporate Governance; Portfolio Manager; Investment Analyst
Engagement Outcome	The company put the LTI to a vote at the 2022 AGM for the first time. It passed with very high support from shareholders.

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Engagement to promote best practice

Outside the AGM season, we may seek further information related to a company's environmental, social and governance disclosures and practices. This is to improve our understanding of the company's practices. Where we identify room for improvement, we encourage the company to strengthen its approach.

Best practice engagement examples

Making a case in favor of simplifying a company's capital structure (TRPA)	
Constellation Brands	
Focus	Governance
Company Description	Constellation Brands is a US beer, wine and spirits company
Asset Class	Equity and Fixed Income
Country	US
Engagement Objective	We engaged with Constellation Brands on its proposal to collapse the dual-class structure and change its voting rights.
Participants	**From Constellation Brands**: CEO; CFO **From T. Rowe Price**: Head of Corporate Governance; Portfolio Manager; Investment Analyst
Engagement Outcome	Constellation Brands has been controlled by the Sands family since its inception in 1945. Control has been maintained via the use of a dual-class capital structure, with 10:1 voting rights for family stockholders. In April, the board received a proposal from the Sands family to collapse the dual-class structure and do away with the unequal voting rights in exchange for consideration of a 35% premium to the common share price. The board invited comments from shareholders as they formed a Special Committee to evaluate the proposal. We provided a detailed comment letter making a case in favor of simplifying the company's capital structure. We did not prescribe a specific premium to be paid to the founding family, but we offered multiple considerations for the committee as it considered how to fairly price any premium paid. We also recommended a path of corporate governance improvements to accompany the new, free-float structure. The recommendations were in relation to the roles of Sands family members on the board going forward, the need for refreshment of the board's committees and leadership roles and the strengthening of shareholder rights after decades of being insulated from investor influence by the controlling shares' voting rights. Four months later, we were pleased to see the board announce a plan, enhanced from the initial proposal. A lower premium was negotiated, to be paid in cash instead of shares. The corporate governance improvements we hoped to see were all adopted on a timetable even shorter than we had proposed. At the meeting to approve the conversion of shares, TRPA voted FOR the transaction. The measure was approved by 75% of unaffiliated stockholders.

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Focusing on ESG materiality at Alibaba (TRPA)	
Alibaba	
Focus	Environment, Governance
Company Description	Alibaba Group is a multinational technology company.
Asset Class	Equity
Country	China
Engagement Objective	Alibaba asked T. Rowe Price for feedback on the company's newly released decarbonisation targets and its materiality analysis. We also used the engagement as an opportunity to communicate our views on corporate governance and proxy voting.
Participants	**From Alibaba**: Investor Relations; ESG Team **From T. Rowe Price**: Head of Governance, EMEA and APAC; Responsible Investing Analyst
Engagement Outcome	We are seeing a notable step change in Alibaba's accountability and focus on ESG topics. During the engagement, Alibaba provided an overview of current progress since our last ESG meeting. We noted that Alibaba had addressed two of our requests: The enlistment of an ESG consultant to support them with ESG disclosure and strategy. The publication of a group carbon neutrality report with carbon footprint data and several goals. These included scope 1 and scope 2 carbon neutrality and a 50% reduction in scope 3 carbon intensity. The company has also proposed a set of material ESG factors from which to base its ESG strategy. We provided feedback on these, broadly agreeing with the list of factors but also highlighting some additional key performance indicators for Alibaba to consider. Moreover, Alibaba has set up more concrete governance structures with board and executive oversight to progress the ESG topic.

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Sustainability performance metrics at Jardine Matheson (TRPA)

Jardine Matheson	
Focus	Environment, Governance
Company Description	Jardine Matheson is an Asia-based conglomerate.
Asset Class	Equity
Country	Hong Kong
Engagement Objective	We engaged with Jardine Matheson in 2021 to understand to what extent sustainability and ESG factors influence the group's strategy, to learn how the group is accountable for its subsidiaries' ESG issues and to encourage groupwide ESG disclosure and goals. We also wanted to encourage better accountability and ESG disclosure at subsidiaries such as Dairy Farm. We then engaged with the company again in 2022, following Jardine Matheson's publication of its inaugural Sustainability Report and Just Energy Transition commitments. We took the opportunity to improve our understanding of the company's strategy with regard to climate change, net zero and scope 3 emissions.
Participants	**From Jardine Matheson**: Treasurer and Investor Relations; Head of Sustainability **From T. Rowe Price**: Responsible Investing Analyst; Associate Responsible Investing Analyst
Engagement Outcome	Jardine Matheson has clearly made progress in advancing the quality of its ESG reporting, which now includes a common set of sustainability performance metrics across all its business units, as well as reporting sections aligned to the Taskforce on Climate-Related Financial Disclosures framework. The company has established a new sustainability team at the holding level, and each business unit now has a dedicated sustainability team. We provided positive feedback on the company's sustainability journey and appreciated management's commitment despite a number of challenges deriving from the company's high level of diversification and ESG preparedness across its business units. During the engagement, we also provided feedback on the company's decarbonisation challenges and ESG accountability, with additional insight into management's actual net zero ambition and potential scope 3 emissions mapping. We are positive on the company's progress in sustainability and shared with management a common goal in maintaining ESG dialogue through periodic engagements, which will improve our ESG assessments. However, we are also aware of lower-than-best practice environmental disclosure embedding several challenges and weak human capital and diversity metrics. Over the next two years, we plan to follow up on progress on additional disclosure on scope 3 greenhouse gas emissions mapping across Jardine Matheson's business units. We will also monitor progress on additional disclosure on the company's net zero goal and on its ESG accountability practices between the holding company and its business units.

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Promoting best practice on ESG bonds (TRPA)	
Banco Santander Chile	
Focus	Social
Company Description	Banco Santander Chile is Chile's largest bank.
Asset Class	This is a fixed income case study, although we also hold the equity
Country	Chile
Engagement Objective	We engaged with Banco Santander Chile to provide feedback to the company ahead of its inaugural social bond and to impart our view on best practice.
Participants	**From Banco Santander Chile**: Head of Funding; Funding Representatives; Investor Relations **From T. Rowe Price**: Portfolio Manager; Impact Analyst; Responsible Investing Analysts
Engagement Outcome	T. Rowe Price has had a series of dialogues with Banco Santander Chile over the past 12 months to discuss ESG bonds. This example can be read as an update to what was included in our 2021 report. Since we last spoke, the bank has decided to issue a social bond and reached out to T. Rowe Price to gather feedback. We took the opportunity to impart our views on best practice. We provided a number of disclosure recommendations to the bank ahead of the social bond issuance. As part of our meeting, we discussed the bank's social assets. The bank also outlined its expectation to follow the Santander group's ESG financing framework, which has a 36-month lookback period. They asked our opinion on the split between refinancing existing assets and financing new projects. We highlighted that the gold standard is to focus on financing new assets given the additionality preference, but should proceeds be used to refinancing assets, the bank should disclose the percentage of refinancing loans versus new loans in post-issuance reporting. Banco Santander Chile also explained the impact metrics it intends to report, including the number of people impacted through its DS19 mortgages. We recommended that they consider reporting along the core impact key performance indicators set out in the International Capital Market Association impact reporting guidelines. The bank highlighted its desire to issue additional ESG bonds in the future but noted that it is restricted on the supply of eligible assets.

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Engaging with a medical equipment company on access to health care and net zero targets (TRPA)	
Becton Dickinson	
Focus	Environment, Social, Governance
Company Description	Becton Dickinson manufactures life sciences equipment, medical equipment and medical devices.
Asset Class	Equity and Fixed Income
Country	US
Engagement Objective	Becton Dickinson asked T. Rowe Price to present to its corporate board to understand our approach to ESG topics and how management could further improve its disclosure.
Participants	**From Becton Dickinson**: Chief Executive Officer and President; Board of Directors; Vice President, Sustainability; Executive Vice President, Corporate Development, Public Policy, Regulatory Affairs and General Counsel; Senior Vice President, Corporate Secretary; Associate General Counsel, Securities & Governance and Assistant Secretary **From T. Rowe Price**: Director of Research, Responsible Investing; Associate Analyst, Responsible Investing
Engagement Outcome	The engagement largely focused on environmental topics, but we also discussed a need to improve access to health care disclosures – where the company somewhat lags peers, in our view. We explained to the board that peers are increasingly reporting data around patients reached – or even setting targets on these metrics in some cases. The company noted that it already collects much of this data internally and indicated it would include more disclosure to this effect in future reporting. In the context of the US SEC's climate disclosure proposal, the company was keen to understand our view on potential future regulatory requirements for this topic. We recommended the company continue to develop its climate reporting and strategy despite any potential challenges to the SEC disclosure proposal, given increasing investor focus on climate change. We highlighted our preference for Sustainability Accounting Standards Board and Taskforce on Climate-Related Financial Disclosures disclosure, against which the company already reports. Overall, the engagement not only allowed us to impart our view on best practices for access to health care and net zero targets, but also informed our view of management's approach to key ESG topics. We continue to monitor progress in relation to additional ethics disclosures, as well as the company's scope 3 net zero targets and pathway.

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Communicating our views on evolving best practice at dedicated events

Our Corporate Access team arranges individual company meetings, as well as more complex group events such as the examples below.

Inaugural Buyside Sustainability Summit (TRPA)	
Focus	Environmental, Social
Asset Class	Equity
Country	Americas, EMEA
Engagement Objective	We convened an investment conference with two other global asset managers and a large asset owner to select companies in our portfolios to discuss emerging sustainability topics.
Engagement Outcome	The event ran for three days with a focus on the decarbonisation of heavy industries, alternative transport and logistic and the sustainable food transition. There was a mix of individual company meetings with the CEOs and a thematic panel each day facilitated by a senior investor representative. It provided a time-efficient way to share our perspectives on these themes with leading companies in these sectors.

Collectively, T. Rowe Price portfolios have a sizable investment in preferred equity securities of privately held companies. Most commonly, these companies are within one to three years of a public offering, and T. Rowe Price becomes an investor in one of the company's later rounds of capital raising.

Convening an investment conference for select private companies (TRPA & TRPIM event)	
Focus	Governance
Asset Class	Private company equity investments
Country	US, Canada
Engagement Objective	We convened an investment conference for select private companies in our portfolios to promote best practices and provide an opportunity for communication and education.
Engagement Outcome	Certain T. Rowe Price co-mingled funds and advisory accounts contain holdings in private companies. Generally, we promote best practices in governance and ESG via one-on-one engagement with these companies, subject to our information rights and access to management. In September, we convened an investment conference for select private companies in our portfolios. About 30 senior executives of these companies attended the event in San Francisco, along with T. Rowe Price analysts, portfolio managers and investment leaders.[1] The purpose of the event was to provide an opportunity for communication and education across these enterprises. Generally, these companies have not yet initiated a process to conduct their initial public offerings, and their knowledge of public market dynamics is limited. Through panel discussions with T. Rowe Price investment professionals and CEOs of newly public companies, we endeavoured to improve the companies' readiness for the process of going public. At the event, we also promoted best practices in ESG and governance with a panel dedicated to such issues. On the panel, we debated the advantages and disadvantages of mechanisms such as dual-class stock with differential voting rights and other protective provisions. We also briefed the private company executives on the ESG disclosure landscape, including commercial ratings services, listing rules, reporting frameworks, Public Benefit Corporation listings and proxy adviser policies.

[1] This was an event for both TRPA and TRPIM.

Controversy-led engagement

When a company may have been involved in a significant controversy, we speak to them to understand their perspective and gain a better insight into the situation. A successful engagement will be demonstrated by our improved understanding of the company's practices and the context to the incident. If we have identified that there is room for improvement, we will encourage the company to strengthen its approach.

Example of a controversy-led engagement case study (TRPA)	
Rockwool	
Focus	Environment, Social, Governance
Company Description	Rockwool is a global manufacturer of mineral wool insulation products.
Asset Class	Equity
Country	Denmark
Engagement Objective	To understand how the company's dialogue with the Danish National Contact Point (NCP) was progressing following an Organisation for Economic Cooperation and Development (OECD) complaint related to its facility in West Virginia. The complaint concerned risks to the environment, public health and insufficient stakeholder engagement in relation to Rockwool's planning and construction of a mineral wool manufacturing facility in Jefferson County, West Virginia, USA.
Participants	**From Rockwool**: Investor Relations; Director, Group Public Affairs and Sustainability **From T. Rowe Price**: Head of Governance, EMEA & APAC; Responsible Investing Analyst
Engagement Outcome	In October 2019 a complaint was filed with the Danish NCP for a potential UNGC breach by Rockwool and the company's American subsidiary ROXUL USA Inc. The complaint was submitted by American nonprofit organisation West Virginians for Sustainable Development along with several co-complainants and concerns Rockwool's mineral wool manufacturing facility in Jefferson County, West Virginia. There have been shareholder resolutions related to this issue at recent AGMs. As discussed in last year's report, in June 2021, the Danish NCP for the OECD upheld a complaint that had been made related to Rockwool's new facility in West Virginia. The NCP recognised the improvements that Rockwool had made in its stakeholder engagement processes since the complaint was originally made in 2019, but the Danish NCP found that Rockwool's due diligence processes were lacking and were too narrow in scope. The Danish NCP gave Rockwool until June 2022 to report on what it had done in response to the complaint. We requested a meeting over the summer, and the meeting with Rockwool took place in September 2022. We were disappointed by the level of disclosure provided by the company in the materials available at the time of the 2022 AGM. We expected some kind of public statement, but none was issued over the summer. Instead, the company pointed us towards the update on the Danish NCP website which confirmed that the case was closed. Rockwool said they had submitted a report to the Danish NCP which detailed how internal processes around due diligence had been strengthened and held a physical meeting with them. The company said it was also revisiting its due diligence approach in light of the introduction of the EU Corporate Sustainability Due Diligence Directive (CSDDD) in 2024 to ensure consistency of approach across the group. It was particularly important to capture the views of stakeholders given the double materiality lens applied by the CSDDD. We would like to see better disclosure of this topic in the company's own materials. We will monitor the disclosure of the due diligence lessons learned and process improvements in the company's Sustainability Report, due to be published in February 2023.

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Meeting with Mitsubishi Electric to discuss product quality shortcomings (TRPA)	
Mitsubishi Electric	
Focus	Governance
Company Description	Mitsubishi Electric is a Japanese multinational electronics and electrical equipment manufacturing company.
Asset Class	Equity
Country	Japan
Engagement Objective	We engaged with Mitsubishi Electric three times in 2022 to discuss the investigation into product quality process shortcomings, as well as an assessment of the plans to reform product quality, culture and governance.
Participants	**From Mitsubishi Electric**: Director and Member of the Nomination Committee and Compensation Committee; Executive Officer, General Affairs and Human Resources; Senior General Manager, Corporate Administration Division; Senior Manager, Board Meeting, Regulations and Shares Section, Corporate Administration Division **From T. Rowe Price**: Head of Governance, EMEA and APAC; Responsible Investing Analyst; Equity Analyst; Portfolio Manager
Engagement Outcome	We engaged with Mitsubishi Electric in spring and summer 2022 for an update on the investigation into the company's quality control practices. A Governance Review Committee was established in 2021, staffed by third-party lawyers. It is a separate entity to the Investigative Committee reviewing the quality issues, and its remit is to review and strengthen the company's governance framework. On 20 October 2022 the Fourth and Final report by the Investigative Committee into the testing scandal was published. Fraudulent practices were found at a majority of the company's manufacturing sites. Many of the cases were the omission of promised quality assurance tests from customer deliverables, due to insufficient time or equipment to undertake the testing. In some cases the company submitted falsified data. We were told that the company had not felt the testing was necessary, but it had failed to explain that to the clients. Current and retired top managers were sanctioned, but the financial penalties were limited: The maximum penalty was 50% of six months' basic monthly compensation. The company now considers the matter closed. Quality reforms carried out by the company so far include remediating shortcomings at plants identified in investigations, selecting a chief quality officer with relevant experience, setting up a Corporate Quality assurance reengineering group, establishing a Quality Governance subcommittee and setting up an Internal Culture working group. The board has been chaired by an independent outside director since October 2021. We were pleased to see the board make additional non-executive appointments with relevant experience to strengthen the oversight of production quality issues at the 2022 AGM, and the overall response seems to have been thorough. The question is to what extent the company can now move forward and demonstrate that a genuine change of mindset has been embedded. We will explore this question when we meet with the CEO in early 2023.

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Thematic engagement

This occurs when we have identified a non-company-specific issue which has been identified as a material risk by the investment team. Engaging on the same topic with a group of companies allows us to benchmark their responses against those of peers and build our knowledge of developing practice on this topic.

We prioritise material long-term themes which generally represent structural shifts or imbalances taking place in the economy. Some of the themes we select will also link to the EU's Principal Adverse Impact indicators (see Principle 5 for a discussion of this regulation).

As of September 2022.

*United Nations Global Compact.

†The Organisation for Economic Cooperation and Development.

Source: The European Union.

Examples of thematic engagements undertaken may include environmental topics such as sustainable agriculture and social topics linked to inequality such as access to medicine and board gender diversity.

Some thematic engagements are conducted directly with many companies. An example of this is our work encouraging companies to disclose in line with the TCFD and SASB frameworks or to disclose their GHG emissions reduction targets. We consider these as thematic as the same request has been raised at many companies.

Another type of thematic engagement would be a deep-dive on one of our priority themes, such as climate in an individual dialogue with a company.

A third type of thematic engagement would be a collaborative engagement on one of these themes. Our work in this area is discussed under Principle 10.

Thematic engagement case studies

Inequality in the gig economy (TRPA)

Gig economy worker welfare and equality has been a key theme across many of our engagements globally. Gig economy employment is defined as independent full- or part-time work. This can include temporary, freelance and contract employment or business ownership. Gig economy work can span lots of different sectors and job types, but one of the better-known and well-publicised forms of gig work is delivery driving. While there are advantages for gig economy workers, such as flexibility and greater independence, there are also many potential risks and disadvantages – particularly in relation to inequality.

Over the past year, we have engaged with several companies on issues such as the safety, welfare and satisfaction of gig economy workers. We held equity in all the companies listed below. Key areas of focus include gig economy worker pay, ESG practices at gig economy companies and how companies are supporting their gig workers. We have also sought to keep pace with regulatory trends, risks and changes – such as an increasing focus in some regions on the re-classification of certain gig workers as employees, the preservation of worker rights and the erosion of worker protections.

Coupang

In September 2022, we engaged with Coupang to look at the South Korean e-commerce company's level of employee safety risk – noting a positive outlook on safety overall. For example, the company is committed to ensuring that drivers have predictable, regular shifts and receive benefits. However, while we are broadly confident that Coupang is focused on employee safety, we continue to monitor the situation given Coupang's appearance in controversies picked up through our media screens. We also await the company's first set of ESG data points, including data that demonstrate safety performance.

Deliveroo

We carried out an off-season discussion with Deliveroo in February 2022, with a focus on its intention to recruit a chief sustainability officer, reporting directly to the CEO. In 2022 we engaged with the company two further times on pay and continued to ask for an update on the search. Unfortunately, progress has been slow, which has inhibited the company's ability to fulfil its sustainability ambitions to the time scale originally communicated.

Delivery Hero

We engaged with Delivery Hero in September 2021 to assess the company's level of ESG risks in relation to rider safety. Overall, we saw plenty of good initiatives taking place at the company to protect the well-being of riders – and a strong commitment from the company to comply with legal regulations. However, we identified a few areas for improvement. Based on these areas, we have asked the company to track and publicly disclose rider accident rates and KPIs in relation to rider satisfaction and to set clear goals around these two topics. These targets remained outstanding as at the end of 2022 and we are seeking a progress update from the company in a meeting in early Q1 2023.

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Continued: Inequality in the gig economy

Meituan

In April 2022, we engaged with Meituan to do due diligence on the company's rider welfare practices and priorities. Overall, we were fairly impressed by Meituan's progress and efforts to address rider safety and welfare. Following the 2021 nudge from China's government, Meituan has embedded a variety of programs to help improve safety performance. Based on our engagement with other food delivery players, Meituan's preparedness on gig worker safety is probably slightly ahead of average. This partly comes from the fact that, unlike peers that are grappling with multiple (and conflicting) regulations concerning rider classification and rights, Meituan is only exposed to one set of rules in China. A few concerns we have are around disclosure of rider safety performance. The company remains highly opaque when it comes to disclosing safety/accident rates of riders, and also on rider satisfaction. We suggested that Meituan should aim to disclose rider safety data and KPIs that can demonstrate improving performance.

Rappi

Rappi has appeared in ESG screens for controversies related to courier welfare, strikes, underage couriers and regulatory fines. We engaged with the Colombian company in December 2021 to understand how it is supporting its couriers and to discuss regulatory trends and risks. We gained confidence in Rappi's programs to support courier welfare and can see that the company is engaging with local and national governments in Latin America to solve key challenges the gig economy faces. Rappi's own reports show a better picture of rider welfare than what is reported in the media. We will therefore continue to monitor controversies in relation to Rappi and will undertake regular engagements. During this engagement, we asked the company to track and publish accident rates. At the end of 2022 these targets continue to be outstanding, but this was expected given the timelines set.

Uber

As part of our engagement with Uber in October 2022, we discussed driver pay and how Uber's 'take rate' fluctuates. We relayed to the company that greater transparency on pay could improve negative public perception. We also obtained more clarity on comparable wages to a W-2 employee (a worker who is an employee of the organisation they work for). We continue to monitor the company for public disclosures around pay and commissions.

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A successful engagement is when we have either gathered sufficient information to lessen the concern or have seen an improvement in the company's practices. Most thematic campaigns run for a set period. Where companies have not responded positively in a reasonable time, escalation options will be considered.

Engaging for impact case study

The Responsible Investing analyst responsible for covering the health care sector undertook a series of dialogues with health care companies which were held in our Impact strategies. These meetings had two purposes. First, to educate companies on T. Rowe Price's approach to Impact. Second, to encourage the companies to provide additional disclosure which would help evidence the positive impact created by their products and services. An example of one meeting is below.

Working with a company to improve impact disclosure and key performance indicators (TRPA)	
Avantor	
Focus	Environment, Social
Company Description	Avantor is a US chemicals company that provides products and services to customers in health care, biopharma, education and government.
Asset Class	Equity and Fixed Income
Country	US
Engagement Objective	We engaged with Avantor not only to inform our understanding of the company's general approach to ESG, but also to impart our view on how the business could better demonstrate its additionality and impact in health care in future reporting.
Participants	**From Avantor**: Senior Director, Global Sustainability; Executive Vice President, General Counsel and Corporate Secretary; Investor Relations **From T. Rowe Price**: Associate Analyst, Responsible Investing
Engagement Outcome	The purpose of our engagement with Avantor was to share our view of best practices on impact and to request additional disclosures from the company. From an impact standpoint, reporting and disclosure remains at a relatively early stage – though this is not uncommon in life sciences. We explained how the company could develop a stronger emphasis on impact reporting and recommended that certain data points are included in all future ESG reporting, alongside existing KPIs around the breadth of the company's portfolio and innovation pipeline. Within the company's ESG report, the innovation pillar includes one example of expanding manufacturing capacity of water for injection quality buffer capabilities at a hydration facility. Acknowledging the difficulty in creating groupwide impact statistics for life sciences, we suggested the company could also include more case studies with clear KPIs to evidence its additionality. Avantor was generally receptive to this idea, within the confines of what it can disclose pertaining to individual clients. We also discussed net zero and emissions targets. Avantor has a published goal to reduce scope 1 and 2 emissions by 15% between 2019 and 2025. The company outlined its plans to submit new, more ambitious targets to the Science-Based Targets initiative for verification. In line with SBTi guidance, we flagged a reduction of 50% in the decade to 2030 alongside a clear long-term decarbonisation pathway with minimal reliance on offsetting as best practice. We requested the company report scope 3 emissions. Avantor has already completed preliminary work to assess its scope 3 footprint. We also noted T. Rowe Price's preference for TCFD-aligned reporting, and the company said that it aims to disclose against this framework from next year. We will continue to monitor progress and will engage if needed after the next report is published.

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How we engage with non-corporate issuers

Our investment analysts will engage directly with any relevant non-corporate entity as part of their ongoing monitoring.

Engaging with Fannie Mae on its proposed social disclosure framework (TRPA)	
Fannie Mae	
Focus	Social
Company Description	The Federal National Mortgage Association, or Fannie Mae, enables affordable housing in the US.
Asset Class	Mortgage-backed securities (MBS)
Country	US
Engagement Objective	The purpose of our engagement with Fannie Mae's capital market team was to provide feedback and recommendations on their proposed social disclosure for single-family mortgage pools.
Participants	**From Fannie Mae, Capital Markets – Single Family Products: Senior Vice President**; Vice Presidents (2) **From T. Rowe Price**: Director of Research, Fixed Income; Fixed Income Portfolio Manager; Impact Portfolio Manager; Responsible Investing Associate Analyst
Engagement Outcome	Our credit analysts and fixed income Responsible Investment specialists met with Fannie Mae's Capital Markets team to provide feedback and recommendations on its recently proposed social disclosure for single-family mortgage pools. Given Fannie Mae's position as one of the largest issuers in the single-family MBS marketplace, this framework could influence the social disclosure of other agency and private single-family MBS issuers as Fannie Mae's finalised approach has the potential to become the industry norm. We concluded that, whilst the new disclosures in their initial proposal form showed progress, there was potentially scope to further enhance social disclosure and thus provide investors with information on the securities' social profile that would be useful enough to support decision-making. At the suggestion of the issuer, we sent a follow-up letter after the meeting offering four specific recommendations to improve the utility of the proposed disclosures for investors. Our suggestions covered the nature and frequency of specific disclosures we believe are necessary, along with an explanation of our reasoning. For example, we advised the agency to leverage an existing reporting framework for certain affordable housing metrics – the International Capital Markets Association (ICMA). In late Q4 2022, Fannie Mae's proposed social framework was published with incremental social attribute disclosure for new single-family MBS issuance. Whilst in the whole our follow-up recommendations were not adopted, we were encouraged by Fannie Mae publicly stating that it will consider 'feedback from investors, second-party opinion providers and other market participants to determine how to approach potential labelled issuance'.

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Engaging with the Council of Europe Development Bank on its efforts to support Ukrainian refugees (TRPA)	
Council of Europe (COE) Development Bank	
Focus	Social
Description	The Council of Europe Development Bank is a multilateral development bank operating across 42 member states across the Council of Europe.
Asset Class	Fixed Income
Region	Europe
Engagement Objective	As a fixed income investor, the purpose of our engagement was to assess how we could potentially support the COE Development Bank's social efforts. We wanted to analyse the role the bank plays, with the help of the debt market, in relieving the suffering of refugees and migrants in the wake of Russia's invasion of Ukraine. We also wanted to request and encourage continued post-issuance impact reporting in relation to social inclusion debt financing.
Participants	**From the Council of Europe**: Senior Funding Manager; Sustainability Funding Officer **From T. Rowe Price**: Responsible Investing Analyst; Responsible Investing Associate Analyst
Engagement Outcome	In the wake of Russia's invasion of Ukraine, the COE has stepped up efforts to support vulnerable groups – with a particular focus on addressing the refugee crisis. During our engagement, the COE reminded us of the development bank's focus on inclusive growth, support for vulnerable groups and promotion of environmental projects. The COE was established following World War II to uphold human rights. It is now the oldest multilateral development bank in Europe and the only one with an exclusive social mandate. The COE believes that a holistic social approach is required in relation to the Ukraine crisis, with more than 7.9 million refugees having been recorded across Europe as of 10 January 2023, according to the United Nations. The COE raised funds in international markets via two social inclusion bonds, with explicit use of proceeds directed to supporting Ukraine refugees. Social inclusion bond issuances were made in April (worth EUR 1.1 billion) and June (worth US$1 billion) to help with the funding of refugee support projects in Council of Europe Development Bank member states. The COE sees the fixed income market as a key component of its response function, with the two trades in question funding projects across social housing, education and vocational training, health and social care and job creation and preservation. The COE presented us with data on how poor housing conditions can exacerbate socioeconomic inequalities, such as health status, human capital development and income potential. The COE stressed the importance of employment creation, given the over-qualification and higher unemployment rates observed across non-European Union migrants, including Ukrainian refugees. During our engagement, we provided specific feedback on post-issuance key performance indicators for the development bank's social inclusion bonds in relation to the Ukraine refugee crisis. The COE recommitted to reporting on several areas such as the number of low-income social dwellings built, as well as the number of students trained and the number of jobs created and/or preserved. T. Rowe Price will track progress based on ongoing public disclosure.

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Engagement objectives

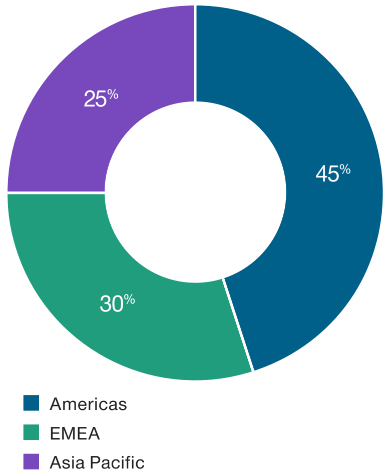
We have recorded and reported on our engagements for many years. However, in 2021 we identified the opportunity to more systematically track ESG-related expectations, or targets, set with our investee companies; the new process also supported the timely review of next steps we had identified within ongoing engagements.

We reconfigured the regular biweekly meeting for the Responsible Investing and Governance teams into a Stewardship team meeting, which allowed us to review the engagement targets set and progress made on a regular basis in 2022. A business analyst has taken ownership of the engagement tracking process and ensures that the responsible investing and governance analysts provide regular updates on the status of outstanding targets in a timely fashion.

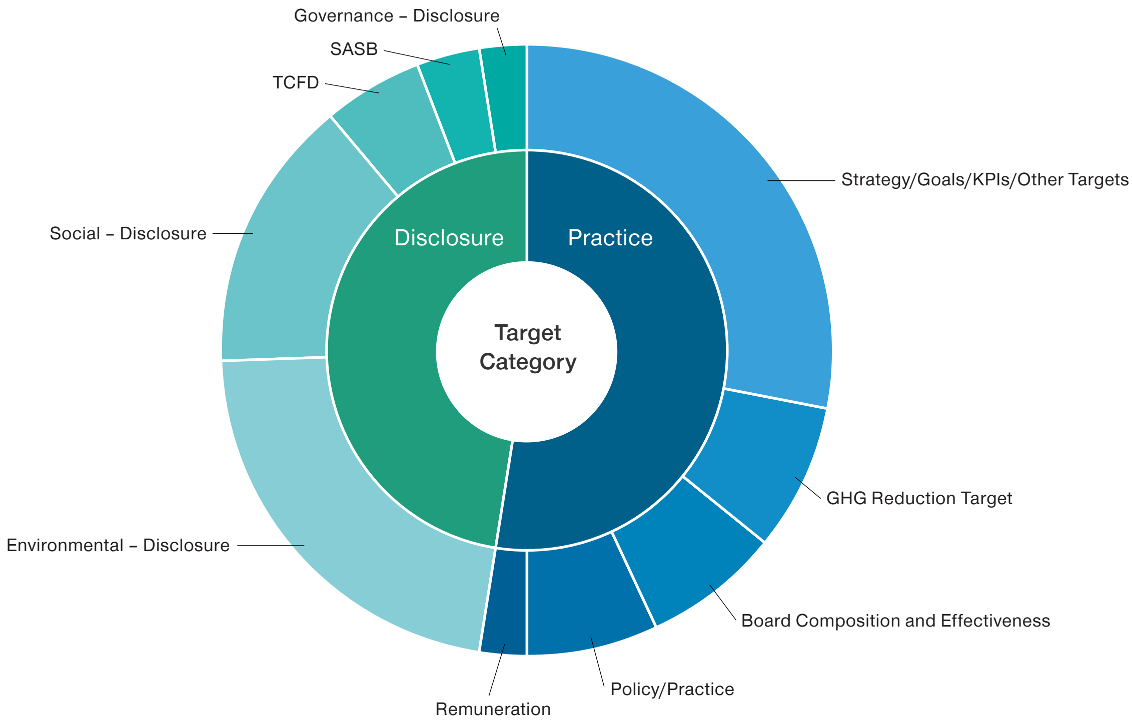
Case study: Engagement tracking

We now track both follow-up actions and targets in a central database, and the targets are divided into those seeking enhanced disclosure and those seeking a change in the company's practices. The split by category of targets either opened or closed in 2022 is shown in the graphic below. The chart on the right shows the regional split of targets.

Regional split of targets



Engagement targets by category



Where we are seeking an improvement in disclosure, we tend to assume that it is possible to update and publish a company policy within 12 months, to disclose in line with the SASB framework within 24 months and to disclose in line with the TCFD framework within 36 months. Companies that fail to make sufficient progress within these timelines, without an adequate explanation, are liable to be subject to our case-by-case escalation process (see Principle 11). For example, we used our expectations for progress in line with the TCFD to inform our voting at certain Japanese companies that received climate-related shareholder resolutions (see Principle 12).

We recognise that the length of time to implement a practice change will be dependent on the company's situation and the nature of the change. We typically set targets that are achievable within 36 months. We want our targets to be clearly measurable and action-oriented, so we do not set targets of over three years, although our analysts would continue to monitor the relevant long-term developments.

One exception to the timelines set out above is when a company is involved in a significant controversy and where we are therefore likely to want to see evidence of process improvements or management change within a shorter time frame. These companies will also have a shorter monitoring cycle than the standard annual cycle.

In 2022 we received increasing numbers of requests from clients for more granular engagement reporting. There has been particular interest in whether we perceive an engagement as successful and when we decide to escalate an engagement. We sometimes set multiple targets within an individual engagement, and we debated how best to reflect progress on targets rather than on the engagement per se.

From the beginning of 2023 we will introduce a new status for our targets which will capture whether they are in progress, met, closed but not met, or escalated because the target is still in progress but was not met in a timely fashion. We expect to provide a detailed description of the framework and quantitative reporting against these metrics in our 2023 Stewardship Report.

How we monitor our investments

The frequency of our monitoring activity is a function of the asset class of the investment, its reporting cycle, the size of our investment and the degree to which we have concerns about performance. Due to our long-term time horizon and fundamentally driven approach to investing, monitoring of the management, performance, strategy and governance of our investee companies is a natural extension of our investment process. Our dedicated, in-house research analysts consider tangible investment factors such as financial information, valuation and macroeconomics in tandem with intangible investment factors related to the environment, social factors and corporate governance.

Our approach is the same whether our investment is held in an equity or fixed income strategy. The equity or credit analyst generally speaks with the management of the company or other issuer following the public release of any significant news, financial results or strategic developments. In between such events, our analysts are responsible for monitoring the public filings of the company as well as information from a variety of sources: broker-sponsored research, investment conferences, industry publications and analyst days. Our RIIM analysis also supports our regular portfolio monitoring reviews, as it will capture new data released and/or exposure to new controversies.

Closing Reflection

The main change to our engagement process in 2022 was the fact that this was the first full calendar year that TRPA systematically tracked the targets set in our ESG engagements across our entire global portfolio. The new process has been successfully embedded, and we have identified improvements to be implemented from the start of 2023 for the next reporting period. We expect to provide more detailed statistical reporting on outcomes in the 2023 Stewardship Report when we have an additional full calendar year of data.

PRINCIPLE 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

Collaborative engagement

Where we believe this benefits our clients and is allowable under the applicable regulatory framework, we increasingly use collaborative engagement as a means of escalating a concern we have identified in an individual dialogue (see Principle 11). Collaborative engagement involves working with other investors to engage an issuer in a group dialogue on specific topics or to achieve a specific change. The framework we use to decide when to join a collaborative engagement is set out below.

Five key considerations for collaborative engagement

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

1 ALIGNMENT

How closely aligned is this engagement opportunity with our investment holdings? Does it include companies where we are significant shareholders?

2 IMPACT POTENTIAL

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?

3 RESOURCE FOCUS

Does the engagement make the most efficient use of our internally dedicated engagement resources?

4 PRACTICALITY

Have we already undertaken the same engagement or very similar engagements unilaterally with success?

5 TANGIBILITY

Is the scope of the collaborative engagement clear, and are we confident that it will not change over time?

Why engage through investor associations?

We primarily engage in collaboration with investor associations or other initiatives that have been established specifically for this purpose, either with policymakers or with companies. We believe this is the most efficient and appropriate approach for such activity.

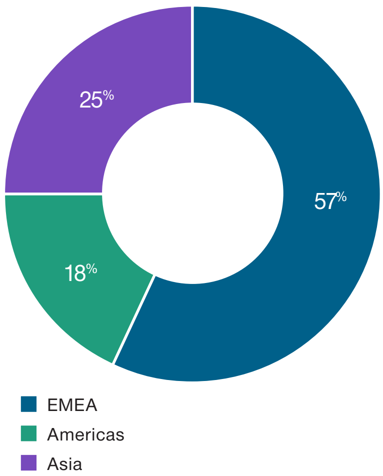
Collaboration highlights

In 2022 we participated in 40 collaborative engagements with 31 companies. Sixteen dialogues were thematic and 24 were company specific. We engaged mainly through the UK Investor Forum, the Access to Medicine initiative, the Access to Nutrition Index (ATNI) and Farm Animal Investment Risk & Return (FAIRR). We have been an active member of the Japan Working Group of the Asian Corporate Governance Association (ACGA), and in 2022 also joined the ACGA's China Working Group. Our descriptions of collaborative engagements respect the confidentiality expectations of the individual initiatives.

One key development we observed in 2022 was the discussion relating to diversity, equity and inclusion expanding its focus beyond gender. We discussed this issue in our white paper, 'What Next for Diversity in the Boardroom?' In 2022 we signed the 30% Club's UK Investor Group Statement on race equity. We are also a member of the 30% Club UK Investor Group Race Equity Working Group, and in 2022 we led a dialogue with two UK companies in the FTSE 250 to ensure they are compliant with the expectations of the Parker Review to have at least one ethnically diverse board director by 2024. One company confirmed it considers itself compliant now, and the engagement with the other is ongoing.

The majority of collaborative engagements in 2022 took place in EMEA. This can be explained by the presence of local investors who are open to engaging collaboratively, companies that are familiar with this mode of engagement, investor initiatives which provide secretariat support and a regulatory framework which in some markets provides investors with reassurance that they will not be considered to be acting in concert with other investors merely by participating in a collaborative engagement. In other regions, the regulatory framework may be less supportive of collaborative engagement as a practice, and so this has inhibited the market's acceptance that collaborative engagement is a routine practice.

Regional breakdown of collaborative engagement



Engaging with Standard Chartered plc on a 'say on climate' resolution (TRPA)	
Standard Chartered plc	
Company Description	Standard Chartered plc is a multinational bank
Focus	Environment, Governance
Asset Class	Equity and Fixed Income
Country	UK
Engagement Objective	The purpose of this collaborative engagement was to conduct due diligence on the bank's climate strategy ahead of the company and shareholder proposed climate resolutions at the bank's upcoming AGM.
Collaboration Partner	UK Investor Forum
Background	Standard Chartered filed its own 'say on climate' resolution ahead of the 2022 AGM to allow shareholders to vote on how they are managing climate risks in their balance sheet. In parallel, MarketForces, a non-governmental organisation (NGO), filed a shareholder resolution requesting Standard Chartered to tighten its climate policies and reduce broader fossil fuel financing over time. We joined a group engagement call hosted by the UK Investor Forum with Standard Chartered's chairman and head of sustainability. The discussion covered several topics, including financed emissions, scope of activities and the MarketForces resolution.
Outcome	Our engagement with Standard Chartered gave us a better understanding of the bank's climate strategy. With regard to the MarketForces shareholder resolution, Standard Chartered highlighted that the aim of the resolution is ultimately the same as the bank's approach, but the main differentiation relates to fossil fuels. The bank believes fossil fuels will continue to play a role in emerging markets, with coal being replaced by natural gas over a transition window. As such, the bank feels the resolution is at odds with its net zero approach, which intends to support emerging markets companies in providing US$300bn of green and transition finance between 2021 and 2030. Although this was a group meeting, our voting at the May 2022 AGM was an independent decision. We voted for item 31 to approve the management-supported say-on-climate resolution, along with 83% of shareholders. We voted against item 32, the climate-related shareholder resolution from MarketForces, along with 88% of shareholders. We also recommended that the bank widen its scope to include undrawn commitments and capital markets activities within its net zero methodology in 2023, and we will monitor progress in this area.

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Engaging with a pharmaceuticals company on reporting on access to medicine (TRPA)	
AbbVie	
Company Description	AbbVie is a pharmaceutical research and development company
Focus	Social
Asset Class	Equity and Fixed Income
Country	US
Engagement Objective	The Access to Medicine Foundation runs a collaborative engagement programme with the 20 largest global pharmaceutical companies to help track and encourage progress towards SDG3. As a co-lead investor responsible for initiating meetings with AbbVie to discuss its progress in response to opportunities highlighted in the Access to Medicine Index, this engagement had two key objectives: (1) To inform our understanding of the company's efforts to participate in the index (2) To impart our view of best practices for access/impact data reporting and ESG reporting in general
Collaboration Partner	Access to Medicine Foundation
Background	During the engagement, the company noted that it has since established a dedicated ESG team and that the heightened stakeholder focus on ESG made it an imperative for the company to participate in this cycle.
Outcome	AbbVie's efforts to participate in the data collection process is an important first step and will allow the Access to Medicine Foundation to evaluate the company across its key pillars (governance of access, research and development and product delivery) to a much greater degree of granularity than would have otherwise been the case from public disclosures. It will also help the foundation provide more targeted areas for improvement on access to medicine. With regard to access to health care disclosures, we asked the company to seek to disclose as much as it could in its ESG report that it discloses to the foundation as part of the data collection process. For quantitative disclosure, we also recommended broadening the scope of its access reporting beyond philanthropy to show patients reached. We will continue to monitor for more quantitative and qualitative commentary on access to medicine over the next year. AbbVie has encouragingly also since published a separate document to its ESG disclosures providing a more detailed overview of its broader approach to pricing and access of its portfolio.

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Promoting better nutrition strategies among UK retailers (TRPA)	
M&S, Asda, Iceland, Sainsbury's and Ocado	
Company Description	Marks & Spencer (M&S), Asda, Iceland, Sainsbury's and Ocado are all UK retailer and supermarket chains
Focus	Social
Asset Class	Equity and Fixed Income
Country	UK
Engagement Objective	This engagement was organised by the Access to Nutrition Index, an independently funded research group that analyses and ranks food manufacturers and retailers on their preparedness and performance on product nutrition. The purpose of the engagement was to follow up on the results of ATNI's UK Retailer Index 2022 – which is the first full nutrition- and health-specific index to assess all major food retailers within the UK market. The finding was that the average score across all retailers is 3.3 out of 10. Our main objective was to recommend several actions that should promote better nutrition strategies among the retailers.
Collaboration Partner	Access to Nutrition Index
Background	T. Rowe Price signed an engagement letter with M&S, Asda, Iceland, Sainsbury's and Ocado to highlight the findings of the ATNI UK retailer index and invite the companies to engage in further dialogue. The engagement letters set out a number of questions to each company – specific to their performance in the UK retailer index. The questions focused on several topics, including governance, strategy and accountability for nutrition.
Outcome	We encouraged targets to increase the sale of healthy products and asked retailers to establish responsible marketing and labelling commitments and to establish a strategy to promote the affordability of healthy products. In terms of next steps, ATNI will organise investor dialogues for each company with a sub-group of investors. T. Rowe Price is a co-lead on the investor dialogue with Ocado. Following the dialogues, ATNI will circulate a set of outcomes that have been achieved for each company.

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Calculating the carbon abatement potential of Unilever's dairy products (TRPA)	
Unilever	
Company Description	Unilever is a British-Dutch multinational consumer goods company
Focus	Environment
Asset Class	Equity and Fixed Income
Country	UK
Engagement Objective	The purpose of this collaborative engagement, led by T. Rowe Price, was to get an update on Unilever's commitment to alternative meat and dairy products and to check if it is on track to meet its 'Future Foods' targets. We also wanted to ask how the company is calculating the carbon abatement potential of its alternative meat and dairy products. Moreover, we wanted an update on Unilever's scope 3 targets and how it plans to align these with the Paris Agreement to 1.5°C.
Collaboration Partner	FAIRR
Background	Unilever is on the front foot when it comes to diversifying its product portfolio towards alternative products and improving the sustainability profile of its portfolio. The company has a 'Future Foods' ambition – which is a plan to transition towards healthier diets and reduce the environmental impact of the food chain. Unilever is assessing the resiliency of its supply chain and looking at other sources of plant-based protein (beyond soya and pea) that can be used to increase the different non-dairy proteins in its products. We discussed Unilever's road map for reaching net zero across the company by 2039. Currently, the largest source of emissions is the supply chain, raw materials and the refrigeration units for the ice cream products, so it is working on increasing its plant-based portfolio, reducing plastic in packaging and finding more efficient refrigerant methods. It reported being on track to reach the 2030 target but acknowledges that the most significant challenge will be post-2030 and net zero by 2039.
Outcome	The collaborative engagement made several asks of Unilever: Unilever should begin publishing data around its €1 billion alternative meat and dairy target in the next annual report in March 2023. The company should start reporting its total sales of plant-based products as of the next annual report. Unilever should share an update on its new 1.5°C scope 3 target in its next reporting cycle, which it wants to be Science-Based Targets initiative validated. We are monitoring for these three outcomes, with a March 2023 target for all three.

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T. Rowe Price memberships and associations[1]

T. Rowe Price has joined or led the following initiatives to bring investors together for purposes of advocacy and engagement.

Organization	Status	Joined
Council of Institutional Investors (CII)	Associate Member	1989
Principles for Responsible Investment (PRI)	Signatory	2010
UK Stewardship Code	Signatory	2020
Japan Stewardship Code Signatory	Signatory	2014
Associação de Investidores no Mercado de Capitais (AMEC)	Member	2015
Asia Corporate Governance Association (ACGA)	Member	2016
UK Investor Forum	Founding Member	2016
International Capital Market Association (ICMA)	Member	2017
Investor Stewardship Group	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
PLSA Stewardship Advisory Group	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
Farm Animal Investment Risk & Return (FAIRR)	Member	2020
Access to Medicine Index	Signatory	2021
Task Force on Climate-Related Financial Disclosures (TCFD) Consortium (Japan)	Member	2021
Global Impact Investing Network (GIIN)	Member	2021
Sustainability Accounting Standards Board (SASB) Alliance	Member	2021
UN Global Compact Signatory	Signatory	2021
International Corporate Governance Network (ICGN)	Member	2021
IMEA (Investment Management Education Alliance) ESG Committee	Member	2021
30% Club Investor Group – UK Chapter	Member	2021
Member of the ICMA Principles – Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG) and Sustainability-Linked Bond Principles (SLBP)	Member	2022
Net Zero Asset Managers Initiative	Signatory	2022
Access to Nutrition Initiative	Signatory	2022
Japan Impact-Driven Financing Initiative	Signatory	2022
Taskforce on Nature-Related Financial Disclosures (TNFD)	Forum Member	2022

Closing Reflection

Our approach to collaborative engagement in 2022 is largely in line with what was described in the 2021 report. In practice, it was a year of ‘evolution not revolution’. A notable highlight was the Responsible Investing team leading their first two collaborative engagements.

The Governance team continued to lead a collaborative engagement with a large Japanese industrials company. To provide more support to what is a complex engagement, a large UK asset manager agreed to serve as the co-lead with us from the start of 2023. The other asset manager will lead the dialogue on climate topics, and T. Rowe Price will continue to steer the discussion on governance.

[1] At least one T. Rowe Price entity is a member of the organisations listed.

PRINCIPLE 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

Our approach to escalation

Essentially our approach to escalation takes a case-by-case approach, tailored to the company's specific situation. Typically, we follow a three-step process when deciding how to proceed.

1
ISSUE IDENTIFICATION
- Events or decisions that bring into question company performance

2
ISSUE EVALUATION
- Portfolio manager and analyst review cause for underperformance
- Responsible investing and Governance team perspectives

3
ESCALATION
- Divestment an option – but not taken lightly
- Potential to vote against management
- Potential to re-weight the security in the portfolio

(1) **Identification**: We may conclude that a series of events or decisions on the part of a company's management or board has reduced the probability that our investment in the company's securities will generate the returns we expected.

(2) **Evaluation**: At that point, the investment analyst and the portfolio manager(s) will discuss the root cause of the underperformance. Frequently, we see a cluster of related issues, some of which may be ESG related; if so, the relevant members of the Responsible Investing and Governance teams will also be asked to provide input. Similarly, if a company is involved in egregious misconduct relating to environmental, labour or human rights abuses or corruption, the Responsible Investing and Governance teams may raise the issue for escalation.

(3) **Escalation**: As an active manager, our ultimate escalation is to sell the stock. However, this decision is not made lightly. While the investment analyst will have a perspective on a company's situation, the ultimate decision on how to escalate – whether that be to vote against the directors if the company is held in an equity strategy or to divest – sits with the portfolio managers. Over/underweighting is another tool at our disposal. When an ESG risk or benefit is identified, it may cause the portfolio manager to adjust his or her weighting of the holding.

Given their different mandates, there may be a range of views among the portfolio managers responsible for the T. Rowe Price holding on the shareholder register of a single company. In practice, we have a bottom-up approach to escalation which seeks to build a consensus on next steps between the holders of a particular security at a point in time. Some portfolio managers may choose to sell while others continue to hold, and so members of the core T. Rowe Price holders' group may change over time, which can also influence the approach.

How we decide when to escalate an engagement

We may choose to escalate an engagement if our investment teams are frustrated with the dynamic of an existing dialogue but remain convinced by the long-term potential of the stock. Escalation could also be triggered if the company has failed to meet an engagement target within a reasonable time period. When deciding whether to escalate, we would consider any client questions either on the company or on the thematic issue. We are most likely to seek to escalate an engagement, rather than sell the position, where:

- We own a substantial amount of the company's share capital and intend to remain long-term owners.
- We have general agreement among our portfolio managers as to the nature of the concern and potential solutions.
- We believe there is a reasonable probability that the company's leadership will enter constructive dialogue with us and seek to address the issue in question.

Escalation case studies

Engaging on the equitable treatment of minority shareholders (TRPA)	
Naspers Ltd and Prosus NV	
Focus	Governance
Company Description	■ Naspers Ltd is a South African multinational with media, e-commerce and venture capital businesses. ■ Prosus NV is a Dutch multinational which holds Naspers' international internet assets
Asset Class	Equity and Fixed Income
Country	South Africa and the Netherlands
Engagement Objective	Prosus NV held a group meeting for investors to discuss its pay practices. We attended to inform our voting decision given that, in previous years, the T. Rowe Price policy has flagged the remuneration practices as contentious.
Background	Prosus NV was spun out of Naspers and listed on the Amsterdam stock exchange in 2019. Unusually, both Naspers and Prosus have the same directors serving on both boards. Certain T. Rowe Price portfolio managers hold either Naspers Ltd or Prosus NV, or both, depending on their strategy. Our 2021 Stewardship Report included a discussion of the considerable frustration in recent years caused by the share price of both Prosus and Naspers trading at a substantial discount to the net asset value. The majority of our holders voted against a corporate transaction in July 2021 which was intended to address the issue. At the August 2021 AGM, to signal their growing unease, all T. Rowe Price portfolio managers with a holding in Naspers voted against all incumbent directors and against most of the non-executives' fees at the 2021 AGM.
Participants	From Prosus NV: Chair of the Remuneration Committee; Head of Investor Relations From T. Rowe Price: Head of Governance, EMEA & APAC; Associate Analyst
Engagement Outcome	In 2022 we wrote to the company asking for a meeting with the lead independent director. Whilst this was not granted, the board reflected shareholder discontent about the discount in the new remuneration policy put forward at the 2022 AGMs of Prosus and Naspers. The company is not planning to grant a long-term incentive this year, and instead there will be a separate discount-linked short-term incentive. We voted in support of this, following engagement, as we felt this novel structure would align executives to shareholders' interests and had responded to a key concern of our portfolio managers. The engagement remains ongoing as of year-end 2022. We expect to engage on governance ahead of the 2023 AGM.

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Escalating an engagement based on governance concerns (TRPA)

News Corporation and Fox Corporation

Focus	Governance
Company Description	News Corporation and Fox Corporation are US media companies
Asset Class	Equity
Country	US
Engagement Objective	We sought to engage with the board to express our concerns about valuation, strategic fit, conflicts of interest and incentives we expect would be associated with a potential business combination.
Background	News Corporation and Fox Corporation are media companies that were at one time part of a single, family-controlled enterprise. They were separated in a spinoff transaction in 2013. In the fourth quarter of 2022, the companies disclosed that discussions were underway to rejoin the companies, and each company had set up a Special Committee of the board to evaluate a potential recombination.
Engagement Outcome	TRPA portfolios are the largest unaffiliated shareholders of News Corporation's non-voting Class A shares. Under the company's charter, Class A shares should be entitled to voting rights if a transaction with Fox Corporation were to proceed. Although no specific transaction had yet been proposed, we sought to engage with management to express our concerns about valuation, strategic fit, conflicts of interest and incentives we expect would be associated with a potential business combination. The company declined to engage with us. We therefore elected to escalate the engagement to the Special Committee of the board. The engagement consisted of two detailed letters shared privately with the Special Committee, one in November 2022 and a follow-up letter in January 2023. Given the unusually high level of broader market interest in the potential transaction, we decided to disclose publicly our effort to engage and the general message contained in our initial letter. Our intent in using public disclosure was to share our perspective with the company's other investors and to suggest a framework by which the ultimate outcome would be judged. The engagement remained ongoing as of year-end 2022. However, in early 2023, both companies announced that the proposal to combine had been withdrawn because management had 'determined that a combination is not optimal at this time'. The engagement is now closed.

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Voting against top management for lack of responsiveness to shareholder concerns (TRPA)	
Taiheiyo Cement Corp.	
Focus	Governance
Company Description	Taiheiyo is the largest cement producer in Japan
Asset Class	Equity and Fixed Income
Country	Japan
Escalation Approach	Using a vote against the president's reappointment as an escalation tactic
Background	We presented to Taiheiyo Cement's investor relations team on disclosure and governance best practices in September 2021. We also suggested how it could enhance its environmental disclosures. Despite what we felt was a productive meeting, the president remained unwilling to engage with us, and the company did not materially improve its disclosure in 2022, despite our encouragement and suggestions. The rate of disposal of cross-shareholdings has also been disappointingly slow.
Engagement Outcome	Due to the lack of progress, at the June 2022 AGM we voted against the president's re-election. This action was noted by the company. Subsequently, our investment analyst met the president and provided feedback on opportunities for improvement.

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How we engage after a controversy

Our approach to engagement may vary according to the type of issue, such as financial concerns or ESG controversies. Key questions in the handling of any serious ESG controversy are:

- What did the board know?
- When did it become aware?
- What is it doing to remediate the issue?

It is important that companies communicate clearly and openly to all stakeholders during a crisis, including shareholders. Companies often hold a group meeting for investors to set out their perspective – we see these as valuable opportunities to compare what the company is telling us in individual meetings with what it says in front of other investors. One of our escalation strategies is to look for the opportunity to join a collective engagement with the company through a third-party initiative, where we believe the dialogue will constructively raise issues of concern.

Engaging with Boohoo on remuneration (TRPA)	
Boohoo	
Focus	Governance
Company Description	Boohoo is a British online fashion retailer
Asset Class	Equity
Country	UK
Engagement Objective	The purpose of our engagement with Boohoo was to discuss remuneration ahead of the company's 2022 AGM and to express our concerns regarding excessive upward discretion regarding bonuses.
Background	In 2020, we engaged with Boohoo on its response to allegations published in the Sunday Times of widespread labour rights abuses and poor practices within its UK supply chain in Leicester. We engaged intensively with the company both directly and through the UK Investor Forum as Boohoo implemented its 'Agenda for Change' programme. While it appeared that the supply chain issues were being addressed throughout 2021 and 2022, we did not receive similar reassurance from Boohoo's demonstrated approach to governance topics, notably remuneration.
Participants	From Boohoo: Assistant Co-secretary; General Counsel and Company Secretary; Non-Executive Director and Remuneration Committee Chair From T. Rowe Price: Investment Analyst; Head of Governance, EMEA and APAC; Responsible Investing Analyst
Engagement Outcome	In March 2022, Boohoo invited us to participate in a remuneration consultation ahead of its 2022 AGM. We understood that the Remuneration Committee wanted to signal appreciation for employees who went above and beyond. However, we felt that excessive upward discretion, which resulted in the FY22 bonus outturn being increased from 25% to 75% of maximum payout, had been exercised for the CEO and CFO – who would both still have the option to receive a meaningful reward under the new remuneration policy. While the company's founders indicated that they did not wish to be considered for a bonus payment for FY22, this did not change our assessment of the upward discretion as inappropriate. We made it clear that we would like to see significant downward discretion applied to the executives' outturn to reflect the shareholder experience over the period. This was particularly important given what we saw as an excessively generous bonus payout last year, which we reflected in our voting at the 2021 AGM. However, Boohoo disregarded our request, so we were amongst the one-third of all shareholders who voted against the remuneration report. Given that this was the second contentious bonus decision in two years, we also abstained on the re-election of the chair of the Remuneration Committee. We were amongst the quarter of shareholders who voted against the company's long-term incentive plan, which seeks to replace two live schemes for the executives which are running until 2023 and 2024 and which are unlikely to pay out. The committee wants to keep the executives motivated, but the shareholders have not been similarly compensated.
Future Escalation Options	If similar decisions are made in future years, we expect to escalate to voting against the reappointment of the committee chair.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Persistent concerns at Tesla (TRPA)	
Tesla	
Focus	Governance, Environmental
Company Description	Tesla designs, manufactures and sells electric vehicles (EVs), renewable power systems and storage.
Asset Class	Equity
Country	US
Issue	Tesla is a clear leader in the effort to increase market penetration of electric vehicles and the infrastructure necessary to support them. However, its outspoken founder and corporate structure frequently give rise to controversy across multiple issues of interest to investors.
Background	T. Rowe Price portfolios have voted AGAINST the re-election of directors at the company on multiple occasions. The company also persistently appears as a negative outlier in our proprietary RIIM screening tool. As our investment teams considered increasing their allocations to this holding during 2022, we initiated a set of activities to conduct an updated and comprehensive ESG assessment of the company.
Analysis	Our activities included meetings with the company's Investor Relations team and sustainability lead. We also met with members of the Tesla board on two separate occasions. We convened multiple internal meetings to discuss our findings. While recognising the company's leadership in the EV space, Tesla's reporting of its own environmental footprint is poor. We were encouraged by the publication of the company's Impact Report at midyear, but we still found multiple disclosure gaps that make it difficult to assess the company's true environmental and social risk profile. On corporate governance, the company presents even more challenges. Our concerns range across board independence, pledging of shares, time commitment of the founder, fair representation of shareholders' interests, incentive structures, shareholder rights, risk management and investor communication, among others.
Vote Decision	Given our continued concerns over misaligned priorities and interests, we were amongst the 20%–30% of shareholders who voted against the two directors on the ballot for re-election at the 2022 AGM.
Future Escalation Options	Possible future escalation steps could include continuing to vote against directors; adding the company to our list of 'high concern' directors; reflecting our view that the company carries particularly high ESG risk through our portfolio weighting decisions; and placing the company on our Significant Governance Concerns List, which would mean it could not be held in our Sustainable Finance Disclosure Regulation Article 8 or 9 funds.

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Litigation as a last Resort

As a last resort, we will consider commencing legal action to recover shareholders' funds when we believe that the board has acted inappropriately or negligently. One such legal case was outstanding at the end of 2022. This does not include our participation in class action suits.

To date, we have not submitted a shareholder resolution but would do so if we thought it was in the interests of our clients.

Escalation considerations in fixed income

The escalation path for fixed income features some variations. For both ESG-labelled bonds and traditional bonds, T. Rowe Price analysts continuously monitor issuer performance. In the case of underperformance or if environmental or social targets are not met, analysts have several options.

They will seek to gain a better understanding using publicly available information. Typically, this is followed by a meeting with the issuer accompanied by T. Rowe Price portfolio managers and/or a Responsible Investing associate to understand the cause of the underperformance and provide guidance if necessary. The aim of the meeting is to assess whether the underperformance is temporary or structural. That engagement, as well as additional checks of publicly available information, is designed to assess if the underperformance is something that will correct over time or is structural in nature.

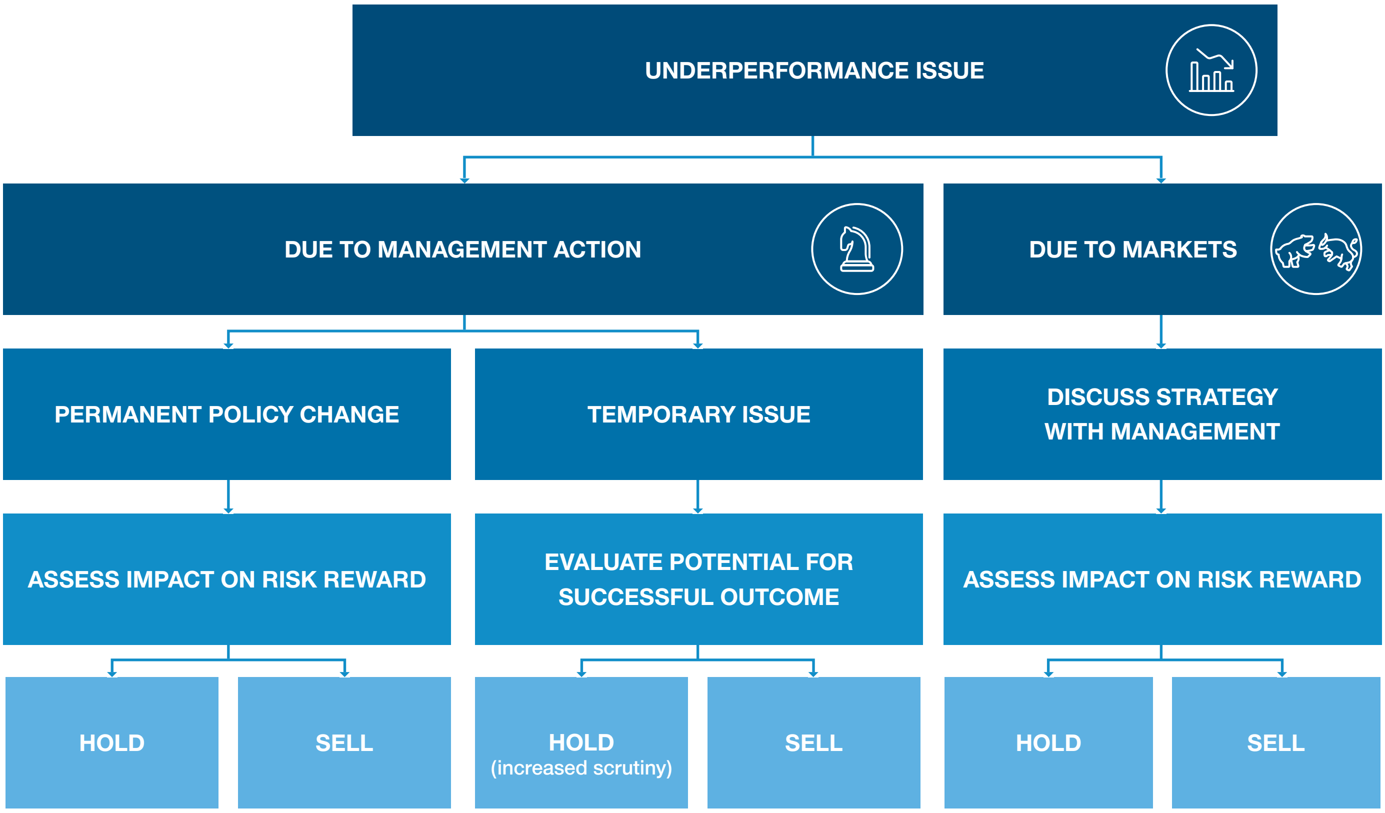
If the underperformance proves to be structural, this may lead the portfolio manager to sell the respective bond. The nature of the underperformance is something that also determines next steps. If it is due to the issuer's action, we work with them to understand if this is a permanent policy change or a temporary issue that they are taking steps to rectify.

If it is a permanent policy change, having assessed the impact of that change on the investment risk/reward, we will decide whether to maintain a holding or seek to sell.

If it is a more temporary issue, we will seek to understand the probability of a successfully course correction before deciding whether to hold or sell. If we decide to hold, the analyst will increase creditor scrutiny, with frequent management engagement and credit updates to ensure that the underperformance genuinely is temporary.

For more permanent market-driven underperformance, we will discuss the issuer's perspective on strategic next steps. If we deem those steps to be potentially damaging to bondholders (such as looking for a transformative debt-funded merger and acquisition) we will ultimately look to sell the investment where that risk is not adequately priced.

Evaluation of underperformance and decision options



The FRC defines escalation as 'how it builds upon an initial engagement, where specific objectives have not yet been met and further action is needed'. In the 2021 Stewardship Report we discussed a collaborative engagement conducted through the Emerging Markets Investors Alliance with JBS and two other Brazilian meat producers. Further investigation into these companies' contribution to deforestation in the Amazon led to all three Brazilian meat companies being judged to have failed the 'Do No Significant Harm' test, which means these names cannot be held in certain funds.

The 'Do No Significant Harm' debate for Brazilian meat companies (TRPA)	
Focus	Environment
Asset Class	Fixed Income
Country	Brazil
Background	Three companies control more than one-third of cattle slaughter in Brazil: JBS (21%), Minerva (7%) and Marfrig (7%). Our Responsible Investing team worked on a piece of analysis looking at whether Brazil's meat producers fail the DNSH test for their role in the destruction caused by Amazonian deforestation. Cattle ranching is a major culprit in deforestation. This type of farming occupies >75% of deforested areas in the Amazon.
Analysis	Our analysis concluded that the three biggest meat producers in Brazil (JBS, Minerva and Marfrig) are in violation of the DNSH test due to the scale of deforestation taking place in their value chains. The companies have set goals to stop illegal deforestation by 2025 (JBS) and 2030 (Minerva, Marfrig). However, we are taking a cautious approach to these goals for several reasons. Firstly, similar goals have been set in the past and not met. Secondly, the current tracking tools have some major limitations – meaning that even traceability (ability to track cattle from birth to slaughter) will be hard to achieve within this time frame.
Future Escalation Options	Whilst we see shortcomings in the preparedness on deforestation, at this stage we have not yet included Minerva and Marfrig on our conduct-based exclusion list on the basis that the companies have made a significant uptick in their ambitions and investments into tools that can support traceability. JBS is already on our conduct exclusion list due to a separate controversy involving corruption and product safety.

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Communication as an escalation strategy

In many cases, a period of engagement is sufficient to encourage a company to address areas of concern. However, on rare occasions we may decide to share our concerns via a public statement. A key development in 2022 was our decision to begin selectively sharing our voting intentions either just before or around the AGM via a number of proxy voting case studies. The votes are selected either because they are unusually contentious or otherwise particularly illustrative of a key voting theme.

Escalation case studies

Long-running pay controversies at Informa (TRPA)	
Informa	
Focus	Governance
Company Description	Informa is an international events, digital services and academic knowledge group
Asset Class	Equity and Fixed Income
Country	UK
Issue	As discussed in T. Rowe Price's 2021 Stewardship Report, Informa has been the subject of significant investor dissent on pay in recent years. While we were initially supportive of non-standard practices, the repeated mishandling of investor expectations has become a distraction from the core investment opportunity.
Background	When we met with the company's chair after the 2021 AGM, we advocated that the Remuneration Committee should select a new chair to reset relations with investors.
Analysis	We were pleased when Informa appointed a new chair. However, we were disappointed when – during our first meeting with the new chair – we were told that the Remuneration Committee had decided to make another pandemic-related adjustment to the long-term incentive plan. We had advised the company that any negative surprises on pay this year would be poorly received by investors, and yet the same dynamic continued under the new chair.
Vote Decision	Given our continued frustration, we were amongst the 71% of shareholders who voted against the remuneration report at the 2022 AGM. The unusual circumstances also prompted us to publish the Informa vote as a case study. Dissent of this magnitude is extremely unusual in the UK market, and we are hopeful that the message will have been received by the Remuneration Committee.
Future Escalation Options	Possible future escalation steps, if there are further questionable decisions on pay at the 2023 AGM, could include voting against the chair of the Remuneration Committee and the board chair or placing the company on our T. Rowe Price Significant Governance Concerns List, which would mean it could not be held in our Sustainable Finance Disclosure Regulation Article 8 or 9 funds.

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Closing Reflection

Escalated engagements are, by definition, complex and often span several years. Improvements may be seen in certain areas over time, whilst other issues may stay stubbornly resistant to change. Our decision to begin selectively sharing our voting intentions either just before or around the company meeting via a number of proxy voting case studies in 2022 illustrates the complexity of such dialogues.

PRINCIPLE 12

Signatories actively exercise their rights and responsibilities.

Active stewards of our clients' assets

We tailor our approach to stewardship by asset class. The table below details our process for fixed income and listed equities.

Oversight by asset class	
Equities	The investment team typically: ▪ Understands the governance practices, incentives and board quality of corporate issuers ▪ Assesses ESG issues upon initiation of a new investment ▪ Monitors for changes and highlight any concerns about these issues in their research reports, which are distributed internally ▪ Considers governance practices holistically for at least once a year in the runup to the AGM, in conjunction with the governance team ▪ Expresses our views on company performance at the AGM ▪ Uses the opportunity in the off season ahead of the next AGM to understand how the company is considering the feedback from shareholders on its performance ▪ Tries to influence what is presented for approval at the next AGM ▪ Provides guidance to unlisted equity investments, as it nears its first public offering, on ESG disclosure frameworks, board composition, remuneration, shareholder rights and managing communications with public investors
Fixed Income	The investment team typically: ▪ Understands the governance practices, incentives and board quality of corporate issuers ▪ Assesses ESG factors upon initiation of a new investment ▪ Monitors for changes and highlights any concerns about these issues in their research reports, which are distributed internally ▪ Participates in a key engagement at the start of our due diligence, before investing in a bond issuer, when we review the documentation with the aim of assessing the level of creditor protection offered ▪ Engages when an issuer is seeking to amend the terms in the bond documentation for an existing bond ▪ Engages in the event of an impairment scenario

Our process in fixed income

As part of extensive due diligence before investing in a bond issuer, a T. Rowe Price analyst reviews bond documentation to assess the level of creditor protection that the documentation offers. If the covenant package or transaction structure proves to be weak, the analyst has several options. In the case of prospective new issue bonds, the analyst can highlight the weak structures with the portfolio manager and fixed income legal team, who may choose not to invest. Alternatively, potential remedies include providing feedback directly to the bond issuer or requesting amendments to the terms and conditions of the indentures with the syndicate arranging the transaction. When an issuer seeks to amend terms of securities we already hold (such as to relax or waive covenants), the analyst and portfolio manager assess the implications of the proposed amendments to determine how to vote on them. If required, the analyst will reach out to the issuer for additional publicly available information and engage other bondholders, internal and external counsel and other external sources to make a well-informed vote that is in the best interest of our clients.

In 2022 we saw fewer consent solicitations than usual. This was in part due to the higher-than-usual number seen in 2021, reflecting LIBOR language change-related consent solicitations. Also, consent solicitations typically occur when markets are moving upward as this potentially provides more incentive for investors to consider loosening covenants. Given market conditions, no suitable case study was identified for 2022.

When an issuer seeks to amend terms of securities we already hold, T. Rowe Price acts in the best interest of the client in scenarios where we risk impairment. Dedicated fixed income research specialists focus exclusively on understanding, negotiating and maximising our legal and economic interests when issuers face difficulty or attempt to impair our rights. We also have dedicated in-house legal resources and use outside advisers in these situations. T. Rowe Price participates, via the respective analyst and other specialists, in discussions and negotiations with other bondholders and issuers to achieve the best outcome for our clients.

Our process in listed equities

Our voting process considers both high-level principles of corporate governance and the circumstances specific to each entity. It includes significant involvement by investment analysts and portfolio managers. Our overarching objective is to cast votes in a thoughtful, investment-centered way to foster long-term success for the entity and its investors. T. Rowe Price's portfolio managers are ultimately responsible for the voting decisions within the strategies they manage.

Their decision-making is informed by recommendations and support from:

- The relevant T. Rowe Price ESG Committee (TRPA or TRPIM)
- Our global industry analysts
- Our specialists in corporate governance and responsible investing
- Our external proxy advisory firm, Institutional Shareholder Services

How our custom voting policy uses the default recommendations of proxy advisers as an input

T. Rowe Price maintains three different sets of custom voting guidelines, defined by T. Rowe Price and administered with the assistance of ISS. These are the TRPA custom voting policy, the TRPIM custom voting policy and the Impact voting policy. The TRPA custom voting policy is based on the T. Rowe Price custom voting policy which was discussed in last year's report; the TRPIM policy is new for 2022. The TRPA voting policy has regional variations for the Americas, EMEA and the Asia Pacific regions, while the TRPIM policy is focused on the Americas given the geographic concentration of the holdings of that adviser.

The TRPA and TRPIM custom policies are underpinned by the good practice expectations from local corporate governance codes and other market norms. As many of these expectations are widely held, our annual voting outcomes are typically about 90% aligned with the board's recommendations and also generally aligned with the ISS benchmark on management-sponsored resolutions, largely because routine approvals compose the great majority of voting activity in any given year.

Example of a change to our voting policy in 2022 aligned with the ISS benchmark

In Japan we introduced two new market-specific voting guidelines in 2022 to the TRPA voting policy. We began voting against the chairman and president at companies that did not meet our stricter **independence** expectations for boards with statutory auditors and those where an excessive proportion of the company's assets were held as **cross-shareholdings**. Historically, Japanese firms have often taken cross-shareholdings in suppliers and customers, typically with the justification that this would create long-term value by strengthening key relationships. However, these cross-shareholdings can represent a poor use of corporate funds, while voting pacts can weaken the voice of institutional shareholders raising legitimate governance concerns.

There are certain issues where we conclude the benchmark policies do not reflect a high enough standard and others where we find the benchmark policy goes beyond reasonable expectations. These differences are reflected in our custom policy.

Case study: Sompo Holdings' capital management approach (TRPA)

At the 2022 AGM of Sompo Holdings Inc., TRPA was amongst the 16% of shareholders who voted against the re-election of the chairman and the 13% of shareholders who voted against the re-election of the company's president to reflect our unease with the company's approach to capital management. Cross-shareholdings at the AGM composed 82.5% of net assets, which is well above the 20% threshold in our voting policy.

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Examples of the TRPA custom policy differing from the ISS benchmark

Global

Virtual Annual General Meetings: We believe that company abuse of the AGM can take place whether the meeting takes place physically, virtually or in a hybrid format. We are generally open to a company wanting to run its AGMs virtually, unless there is evidence of prior behaviour against minority shareholders' interests. ISS typically recommends investors oppose article amendments which would allow a company to run fully virtual AGMs.

2022 was the first full AGM season that our global single-gender boards voting policy took effect. Our standard is higher than the benchmark: ISS still does not recommend investors vote against the election of directors at companies with no female board representation in many markets.

Regional

Combined Chair and CEO: ISS generally recommends a vote against the (re)election of combined chair/CEOs at widely held European companies. We take a more regionally focused view where this is a common feature of the market, as in France, and may support, absent other concerns.

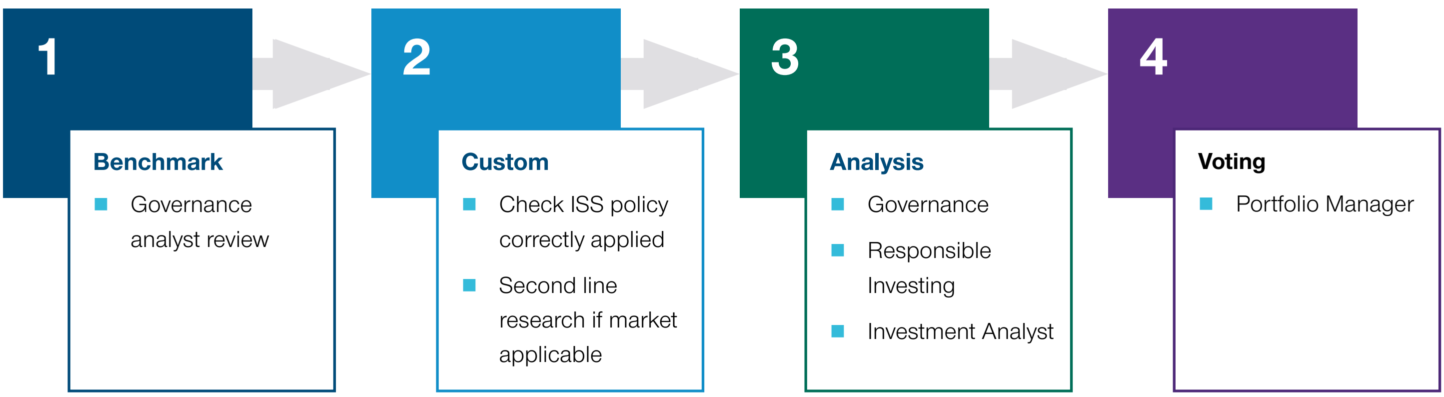
Research packets delivered for each meeting on the proxy voting platform contain at least two pieces of research.

- The Benchmark Research – contains voting recommendations and supporting analysis in line with the relevant ISS regional policy
- The Custom Policy – contains only vote recommendations and a supporting rationale

The four-step process in the chart overleaf illustrates how the research helps us decide how to vote in TRPA. A governance analyst reviews the ISS benchmark first to understand the relevant facts and then checks that ISS has implemented our custom policy correctly. If this is a meeting where we currently have a second line of proxy research (currently only in India, but will expand to include China for 2023), the other proxy research will also be reviewed. We also drive our custom voting policy through proprietary data which reflects our house perspective, rather than that of ISS. The third step is for a governance analyst to undertake any further research, which could include reviewing company disclosures, the company track record, and how we voted on similar items at the company in prior years. If there are material environmental or social topics at the company relevant to a particular resolution, such as a sustainability-related shareholder resolution, these will be discussed with the responsible investing analyst who covers this sector for the region.

A governance analyst will then discuss any issues of concern with the investment analyst. If necessary, a meeting with the company will be arranged – as discussed under Principle 9 – before a vote recommendation is agreed and put to the portfolio manager. All portfolio managers retain the ability to direct the vote on the holdings in their strategy as they see it because our view is the vote is an asset belonging not to our firm as a whole but to the clients in each underlying investment strategy. As such, managers may choose not to align with the voting recommendations put forward by a governance analyst.

Four Step Process for Proxy Decision Making



Although we aim for consensus where possible, there is no expectation that all portfolio managers will vote in the same way. The case study below describes an occasion where we saw split voting in 2022.

Collaboration with our portfolio managers on a split voting decision (TRPA)	
Mitsubishi Corporation	
Focus	Environment, Governance
Company Description	Mitsubishi is one of the largest Japanese trading companies in terms of earnings and assets and has the second-highest exposure to commodities amongst peers
Asset Class	Equity
Country	Japan
Issue	Mitsubishi Corporation received two high-profile climate-related shareholder resolutions at the June 2022 shareholder meeting: ▪ Item 5: Amend articles to disclose greenhouse gas emission reduction targets ▪ Item 6: Amend articles to disclose evaluation concerning consistency between capital expenditures and net zero greenhouse gas emissions by 2050 commitment While all strategies voted AGAINST item 6, item 5 resulted in a split voting decision.
Analysis	To formulate our vote decision, our governance team attended a webinar where the proponents presented their resolutions, engaged with the company and discussed the situation with our investment analyst. Item 5 on the agenda asked the company to improve its disclosure by adopting and disclosing a business plan with Paris Agreement-aligned short- and mid-term GHG emissions reduction targets. The targets will cover scope 1, 2 and 3 emissions[1], and progress reporting will be provided annually. The company's current disclosure has two main opportunities for improvement: the addition of a short-term target and comprehensive coverage of scope 3 targets. In engagement, the company told us that it plans to improve its scope 3 disclosure later in the year but was reluctant to disclose a short-term target even though an internal road map to the midterm 2030 target exists. We appreciate the need for flexibility but suggested that an indicative range could be provided rather than an exact number in the next iteration. Our portfolio managers who voted with management on item 5 felt that the company is already making substantial efforts on decarbonisation and that additional disclosure could be counterproductive. Specifically, providing the requested level of detail might negatively impact the company's negotiating leverage if it becomes necessary to dispose of such assets. However, our portfolio managers who voted FOR item 5 felt this additional disclosure would be useful to shareholders. Furthermore, they saw it as a reasonable request since the company has been a Task Force on Climate-Related Financial Disclosures supporter since July 2018 and already has both a 2030 midterm target and a commitment to reach net zero by 2050. Item 6 asked the company to include in its annual corporate reporting how a net zero by 2050 pathway would affect the assumptions around new material capital investments and planned future investments in the development of new oil and gas assets. We voted against item 6, because the company has already committed to making significant near-term portfolio adjustments.
Vote Outcome	All T. Rowe Price strategies were amongst the 83.5% of shareholders who voted AGAINST item 6. Our holders voted both FOR and AGAINST item 5; the resolution received only 20.6% support. We plan to monitor for progress on improved disclosure and re-engage with the company ahead of the 2023 shareholder meeting.

[1] 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).

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The overarching principle of TRPA's voting approach is that decisions are made considering the anticipated impact of the issue on the desirability of investing in the portfolio company. Proxies are voted solely in the interests of our clients, and a member of the Governance team reviews every vote. While we find very few instances where our customised voting policies may have been applied incorrectly, reviewing every vote is an important part of our process because it allows us to develop a deep level of institutional knowledge on each individual company. How we would handle any quality issues with the service we receive from ISS is discussed under Principle 8.

Taking a different view from the ISS benchmark based on our engagement with the company

One topic on which we frequently disagree with our proxy adviser is assessing a board's responsiveness to weak support for its advisory approval of remuneration at the prior year's AGM. Our perspective is proxy advisers in general are not well positioned to evaluate board actions of this nature because they are not present for the engagement that takes place between the companies and their shareholders. On other matters, such as whether a company has implemented a shareholder resolution that was duly passed by investors in the prior year, gauging responsiveness is a more straightforward exercise. Remuneration, on the other hand, is more nuanced and it can require more time to implement any changes that may be appropriate following shareholders' expression of disapproval. Another factor is there is often wide variation in the feedback that investors provide to companies in these situations. The standard response of our proxy adviser to instances where it perceives insufficient responsiveness to a previous Say on Pay vote is to recommend AGAINST the advisory vote again and often also AGAINST the members of the Remuneration Committee.

Voting to reflect our perception of a company's responsiveness to shareholder concerns (TRPA)

Ceridian HCM Holding Inc.

Focus	Governance
Company Description	The company makes health care management software
Asset Class	Equity and Fixed Income
Country	US
Issue	Our proxy adviser recommended AGAINST the remuneration for the third year in a row, this time primarily over concerns about responsiveness. However, our conclusions after engaging multiple times with the Compensation Committee were quite different.
Analysis	While in certain respects the executive remuneration program is still evolving at the company, the committee has made a public commitment not to repeat its previous use of special equity grants, and it has introduced performance-based shares into the pay program, with an intention to increase them over time. The company engaged in high-quality engagement with investors, which included director participation as appropriate. In our assessment, it also provided adequate disclosure summarising this engagement in its 2022 proxy filing.
Vote Decision	Taking these factors into consideration, TRPA voted FOR the company's Say on Pay this year, along with 70% of other investors.

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Implementation of the classified boards voting policy (TRPA and TRPIM)

In 2022, we adopted a new custom voting policy to encourage the adoption of annual elections for all directors at mature companies in the US. Our perspective is that, 10 years following a company's initial public offering or spinoff, it is reasonable to expect it to begin dismantling mechanisms that shield the board from accountability. Chief among these mechanisms is a classified board in which directors are elected to staggered, multiyear terms instead of being reelected by shareholders every year. Since the beginning of 2022, T. Rowe Price has generally opposed the reelection of non-executive directors at companies where a classified board has been in place for longer than 10 years and where there are no disclosed plans to switch to annual elections. This voting position was incorporated within both the TRPA and TRPIM proxy voting guidelines.

Implementation of the climate transparency gap voting policy

The climate transparency gap custom voting policy was implemented for the first time in 2022. For companies in the Americas, EMEA and Asia Pacific regions operating businesses in industries with the highest carbon intensity, our expectation is these companies disclose, at a minimum, their total absolute scope 1 and scope 2 greenhouse gas emissions as of the 2021 year-end. Failure by companies in these industries to disclose this data leaves investors unable to properly analyse the exposure to climate change risk. Where we believe a climate transparency gap is present, we will generally oppose the re-elections of all non-executive incumbent directors at that company.

To implement this policy, we identified those companies that are both highly exposed to the impact of climate change and have demonstrated insufficient preparedness for the energy transition.

Our screening methodology uses a three-step process:

(1) We use the European Union's Sustainable Finance Disclosure Regulation's list of high-impact climate sectors to define the scope of companies with high exposure.

(2) We use our proprietary Responsible Investment Indicator Model to screen within these sectors for companies that may not be adequately managing their climate risks.

(3) We identify any mitigating or idiosyncratic circumstances that indicate it is not appropriate to apply the policy to a company at this time. For example, exceptions may be made for very small or newly public companies.

This voting position was incorporated within the TRPA proxy voting guidelines only.

Voting against director re-elections due to diversity and climate concerns (TRPA)	
Victoria Gold Corporation	
Focus	Environment, Governance
Company Description	Victoria Gold is a Canadian single-asset gold miner
Asset Class	Equity
Country	Canada
Issue	Before its shareholder meeting earlier in 2022, Victoria Gold determined that an unusual combination of events was likely to result in multiple directors failing to be re-elected by a majority of its investors. The company requested engagement with major shareholders to assess its options.
Analysis	Under TRPA voting guidelines, there were two reasons to oppose the directors' re-elections. First, the company's level of board diversity is below expected standards for Canadian issuers. Second, the company fell under our new Climate Transparency Gap guideline, which applies to companies in industries with high climate risk exposure but that have not yet started disclosing even basic environmental performance data. As part of our engagement, it became clear the company had been aware of both these issues for a few years. They said they are committed to both improving board diversity and initiating disclosure of environmental performance data, but they did not provide a timeline for such improvements. Other factors we took into consideration in our voting decision included long-standing concerns about capital allocation, persistent underperformance, operational missteps and very long average board tenure.
Vote Decision	Due to the factors highlighted above, we determined an exception to our voting guidelines would not be appropriate in this case. TRPA voted AGAINST the re-election of six directors. At the AGM, four directors received very low investor support, ranging from 56%–58%, but were re-elected. We hold over 7% of the company's issued share capital and will continue to raise the topics of board diversity and climate in our meetings with the company.

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Outcome of the new voting guidelines

In a typical year, T. Rowe Price votes against the reelection of a few thousand directors across our global equity-focused portfolios due to governance or performance concerns. The policy enhancements outlined above – including the classified boards policy and the implementation of the climate transparency gap policy – resulted in an increase in votes against directors globally, prompting us to oppose an additional 1,063 directors across our three voting regions in 2022. These and other changes to the TRPA proxy voting guidelines drove an overall drop in our support for uncontested director elections from 91.2% in 2021 to 88.5% this year.

Impact investments

A separate set of proxy voting guidelines is administered for the T. Rowe Price Impact strategies. These portfolios require a separate voting policy because they have two express mandates: competitive financial returns as well as positive social and environmental impact. In order to meet these objectives, the Impact portfolios may vote differently from other T. Rowe Price Funds, particularly on director elections and shareholder resolutions. The focus on social equity may be reflected in certain remuneration votes.

For the T. Rowe Price Impact strategies, 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. A customised set of proxy voting guidelines helps us establish governance norms and follow a differentiated stewardship approach.

Key guidelines include:

Election of Directors	AGAINST the Board Chair or certain committee members in the following cases: ▪ if ESG disclosure expectations are not met within a reasonable time period. We encourage companies to disclose in line with the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) disclosure frameworks and will take this into account when making the voting decision. ▪ for inadequate oversight of ESG controversies, including insufficient preparedness for the low-carbon transition.
Shareholder Resolutions	CASE-BY-CASE, expects to support shareholder resolutions which request improved ESG disclosures and practices.
Company-specific Issues	The portfolio manager may make other voting decisions, aligned with the investment objective of the strategy.
Alignment	These Impact equity-specific guidelines are in addition to the appropriate regional voting guidelines as set out in the T. Rowe Price Proxy Voting Guidelines. The portfolio manager may make other voting decisions, aligned with the investment objective of the strategy.

Implementation of the Impact proxy voting guidelines

For the vast majority of resolutions, Impact voted the same way as the other strategies. However, there were three cases where the Impact strategies voted differently from the other portfolio managers in 2022 on shareholder resolutions:

- At the **Eli Lilly** 2022 AGM, Impact supported all four shareholder resolutions, which called for the company to provide a report on lobbying payments and policy (item 8) and to commission a third-party review of the alignment between the company's lobbying activities with its public statements (item 9). Impact voted for these items and the resolution calling for a report on board oversight of the risks related to anticompetitive pricing strategies (item 10) because the importance of setting market-leading expectations related to lobbying and pricing/anticompetitive practices was felt to be aligned with the mandate of the Impact strategy. Impact also voted in support of the shareholder resolution calling for an independent board chair (item 7).
- At the **Charles Schwab Corporation** 2022 AGM, Impact voted in support of the shareholder resolution requesting a report on lobbying payments and policy (item 8). Upon review, it became clear that opportunities for increased disclosure remained in the areas of lobbying priorities, direct and indirect, federal and state lobbying payments and trade association affiliation. Given their mandate, this resolution was supported by the Impact strategy. However, the company already provides aggregate disclosure of its indirect spending, which the mainstream strategies considered to be in line with typical market practice and acceptable.
- At the **Badger Meter** 2022 AGM, item 4 was a shareholder resolution asking the board to provide a report on achieving racial equity on the Board of Directors. The specific request was that the Board of Directors report to shareholders within six months after the company's annual meeting, at reasonable expense, excluding confidential information, with action steps to foster greater racial equity on the board. Last year we supported a similar shareholder resolution calling for a report on board diversity, along with 85% of shareholders. After the 2021 AGM, the board engaged with investors and appointed a racially diverse board member. However, the company has not yet disclosed actionable plans to increase board diversity, and so Impact voted for the shareholder resolution.

There were two cases where the Impact strategies voted differently from the other portfolio managers in 2022 on pay, because of the Impact strategy's focus on social equity within its investment process:

- At the **Ashtead Group plc** 2022 AGM, Impact voted against the remuneration report because the policy it had voted against at the 2021 AGM which included non-standard one-time awards was implemented in the period and because the bonus payout in full arguably did not reflect the shareholder experience. The mainstream strategies had supported the 2021 remuneration policy and did not find the pay decisions in 2022 problematic.
- At the **Kanzhun Limited** 2022 AGM, Impact voted against the Post-IPO Share Scheme because the equity plan is overseen by the CEO rather than a committee of independent directors and a lack of clarity on the performance conditions despite engaging. However, the mainstream strategies supported the scheme because the company confirmed that the CEO does not authorise his own equity grant and we typically give newly listed companies a little time to improve their variable pay disclosure.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

TRPIM voting guidelines

A separate set of proxy voting guidelines is administered for the TRPIM strategies. The TRPIM voting policy has been informed by the historical TRPA Americas proxy voting guidelines, but going forwards will be maintained as a separate voting policy and updated in line with the views of the TRPIM ESG Committee.

The 2022 headline voting statistics for TRPIM are shown below. We will provide a detailed analysis of TRPIM voting in next year's report, once the policy has been in operation for more than a full calendar year.

TRPIM

Americas | 5,445 Management and Shareholder Proposals

Management Proposals	# of Proposals	% With Mgmt.
Elect Directors (Uncontested)	3,791	91.0%
Management Compensation: Say on Pay and Equity Plans	644	91.5%
Appoint Auditors/Approve Auditor Fees	569	98.4%
Routine Business and Operational Matters	112	74.6%
Capital Structure Items	77	93.2%
Other	73	86.3%
Total	**5,266**	

Shareholder Proposals	# of Proposals	% With Mgmt.
Social, Political, or Environmental Matters	89	84.9%
Elect Directors (Contested)	46	87.0%
Adopt or Amend Shareholder Rights	28	88.5%
Related to Compensation Policies	7	85.7%
Proposals to Amend or Remove Takeover Defenses	6	33.0%
Other	3	66.7%
Total	**179**	

The TRPA, Impact and TRPIM voting guidelines are updated annually by the relevant ESG Committee (see Principle 5) and disclosed on our website.

Vote execution

As discussed above, our portfolio managers, analysts and corporate governance specialists may override our guidelines at any time if there is a sufficient supporting rationale. In the absence of any other instructions, all eligible shares are voted in accordance with our custom guidelines. Our vote is then executed by ISS on our behalf. Principle 8 contains more details on how we oversee the relationship with ISS.

Communicating our voting decisions to companies

Where T. Rowe Price is a significant investor in a company and we plan to vote against the Board of Directors' recommendation on one or more items, we generally disclose our voting intentions to the company in advance. The purpose of this dialogue (as discussed under Principle 9) is to determine whether there are additional considerations or context that the board believes we should consider. Circumstances under which we may not disclose our voting intentions in advance are:

(1) When the company does not respond to our outreach or does not exhibit interest in this discussion.

(2) When the company employs a third party such as a broker or proxy solicitor to collect feedback on our vote intentions. We do not disclose such information to third parties.

(3) When the matter in question is of a routine nature, and our published proxy voting guidelines already state a clear position on the question.

The use of abstention

Generally, we do not use the option to abstain on voting items, except in a small minority of cases. These cases may be where we do not have sufficient information to vote either for or against an item, or where an item has been withdrawn after the agenda has been issued. However, these were exceptional instances as we believe we have an obligation to make a definitive voting decision, either FOR or AGAINST each item contained in the proxy, wherever possible.

In 2022 we abstained on 421 resolutions at company meetings across our three regions. Abstentions represented a tiny fraction of the total 64,056 resolutions we voted globally, including management and shareholder resolutions. In 65% of these cases, the abstentions reflect technical voting requirements for companies with cumulative voting, primarily Brazil. The remaining 35% of instances reflected intentional use of the abstention, primarily serving as a warning to companies with pay practices we considered problematic, but not of sufficient concern to merit opposition. It was also used occasionally to signal concern about inadequate disclosure. Because abstentions represent such a small amount of our overall voting activity, they are not represented in the graphics accompanying this principle.

An example of the use of abstention to signal our concern at problematic pay practices can be found in the Boohoo plc case study under Principle 11.

Compliance with the UK Corporate Governance Code

The expectations of the UK Corporate Governance Code are reflected in our proxy voting guidelines. Deviations from the code would be treated in the same way that we treat any case of a company not following local good practice. If the reason for non-compliance is well explained and reasonable given the company's unique circumstances, or if the non-compliance is seen as temporary, we may support the company management at the AGM. However, if we are concerned that the reasons for non-compliance will lead to a misalignment of company management and investor interests, then we would likely oppose management on certain voting items.

Voting against a re-election due to overboarding concerns (TRPA)	
NatWest Group Plc	
Focus	Governance
Company Description	NatWest is a British banking and insurance holding company, operating several different banking brands.
Asset Class	Equity and Fixed Income
Country	UK
Issue	Principle H of the 2018 UK Corporate Governance Code states that non-executive directors should have sufficient time to meet their board responsibilities. At the company's 2022 AGM, we had overboarding concerns in relation to the re-election of a board member.
Analysis	In addition to his non-executive role at NatWest Group Plc, the board member in question serves on the boards of three other publicly listed companies, and as board chair in two of those. This is considered excessive under the overboarding guideline in our custom voting policy.
Vote Decision	At the 2022 AGM we were amongst the 20% of shareholders who voted against the re-election of this board member for overboarding reasons. The company has retained him on the board as at January 2023 on the grounds that he brings valuable expertise, has a good attendance record and complies with the regulatory limits on the number of directorships that directors of significant banks can hold.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Directed voting

Separate account clients, i.e., those who have opted for a segregated mandate, may choose from three options in relation to proxy voting:

(1) To retain voting authority for themselves

(2) To delegate voting authority to T. Rowe Price

(3) To direct the vote in exceptional circumstances, but otherwise delegate the voting authority to T. Rowe Price

The vast majority of our clients choose to delegate the voting authority to T. Rowe Price. We always welcome discussions with clients on how voting can reflect their investment beliefs and stewardship priorities. We continue to monitor emerging market practice around client-directed voting.

'Say on climate' votes, 2022 AGM season

Outside North America, investors are increasingly embracing voluntary, management-sponsored climate resolutions, or so-called say-on-climate votes. The purpose of these votes is for the company to present the details of its medium- and long-term climate strategy and reporting to investors for their endorsement. In this reporting period, there were 45 say-on-climate votes across all T. Rowe Price global equity-focused portfolios; we supported 97% of them.

In 2022 the level of support these plans received decreased, as investors refined their approach to reflect developing market practice. The management-supported say-on-climate vote at **Woodside Energy Group Ltd** received only 51% of investors voting in support. The issue was that Woodside has short-, medium- and long-term scope 1 and 2 reduction targets, but no targets for scope 3 emissions. This was mitigated by the fact that the company does have short-term emission targets, absolute scope 1 and 2 reduction targets out to 2030 and has attempted to address scope 3 by committing US$5bn for the development of new energy products by 2030, so we voted in support.

One company where we and 24% of shareholders voted against the management-supported say-on-climate resolution was **Glencore Plc** due to concerns over the company's activities around thermal coal, which accounts for the majority of its scope 3 emissions.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Vote reporting

We publish on our website a database of every vote from the prior period, searchable by issuer or by portfolio. It is now also possible to search by significant vote. The database contains voting rationales for key categories such as shareholder resolutions and votes contrary to the board's recommendations. The database is updated every six months, and separate search interfaces are provided for TRPA and TRPIM votes.

Our approach to 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.

2022 proxy voting summary

T. Rowe Price Associates, Inc. (TRPA)	T. Rowe Price Investment Management, Inc. (TRPIM)
Proxy voting guidelines	Proxy voting guidelines
Proxy voting case studies	Proxy voting records
Proxy voting records	

T. Rowe Price Investment Management, Inc., makes independent proxy voting decisions, as described in its proxy voting guidelines, from T. Rowe Price Associates, Inc., and its investment advisory affiliates.

The 2022 proxy voting summary highlights important corporate governance trends from the prior 12 months and aggregates our proxy voting decisions into categories. This year's report identified two significant changes; we have already discussed the reasons for the change to our voting on director elections. The reasons for the drop in support for shareholder resolutions are detailed later in the Americas section.

Given that the proxy voting reporting period, which ended 30 June 2022, coincided with the formal launch of TRPIM, the vote results presented in the 2022 proxy voting summary report represent the combined voting activities of both entities: T. Rowe Price Associates, Inc., and T. Rowe Price Investment Management, Inc. In future reporting periods, we will provide two separate Aggregate Proxy Voting Summary Reports to reflect the activities of each entity separately.

On request, we also provide institutional clients with a customised record of their portfolios' voting activities. As our holdings in the mutual funds largely mirror those of all clients' accounts, we believe these reports sufficiently address the disclosure envisioned by this code.

Proportion of shares that were voted in the past year

In 2022, only 2.3% of resolutions were not voted globally, or were subject to a Do Not Vote (DNV) instruction. DNV instructions may be applied for a variety of reasons, but the most common is share blocking. We endeavour to vote in all proxies for which we are eligible. An exception is in markets where voting would require that we block our clients' shares from trading for a designated period (this is standard practice in Norway, Egypt and Morocco, for example). In most instances, we do not vote in share-blocking markets because we believe the potential risk of the temporary illiquidity exceeds the potential benefit of the proxy vote.

2022 proxy voting in action

In the following section we seek to show how TRPA's voting reflects regional norms by providing for each region (Americas, EMEA and Asia Pacific) the proxy voting guidelines and the voting statistics for that region. This includes the top five management and shareholder resolutions by type per region.

In 2022, 51.2% of all our voting activity took place at companies in the Americas, 21.8% in the Asia Pacific region, and 27.0% at companies in EMEA.

The table shows our voting across all resolution types across our portfolio globally in the 2022 calendar year.

64,056	21.8%	27.0%	51.2%
Proposals Voted	APAC	EMEA	Americas

TRPA – GLOBAL SUMMARY

Proponent	Category	# of Proposals	% With Mgmt.	% Against Mgmt.	Total
Management	Add, Amend or Remove Takeover Defenses	156	81.4%	18.6%	100.0%
Management	Appoint Auditors/Approve Auditor Fees	4,756	99.0%	1.0%	100.0%
Management	Capital Structure Items	5,437	91.8%	8.2%	100.0%
Management	Management Compensation: Say on Pay ond Equity Plans	7,956	84.9%	15.1%	100.0%
Management	Elect Directors (Uncontested)	36,011	88.5%	11.5%	100.0%
Management	Mergers & Acquisitions	1,461	86.3%	13.7%	100.0%
Management	Routine Business and Operational Matters	6,652	91.5%	8.5%	100.0%
Management	Amend Shareholder Rights	118	91.4%	8.6%	100.0%
Management	Management-Sponsored Environmental Resolutions	45	97.7%	2.3%	100.0%
	Totals	**62,592**			
Shareholder	Proposals to Amend or Remove Takeover Defenses	13	46.2%	53.8%	100.0%
Shareholder	Proposals Related to Auditors	97	100.0%	0.0%	100.0%
Shareholder	Proposals Related to Capital Structure	14	92.9%	7.1%	100.0%
Shareholder	Proposals Related to Compensation Policies	72	77.8%	22.2%	100.0%
Shareholder	Elect Directors (Contested)	490	88.1%	11.9%	100.0%
Shareholder	Proposals Related to Mergers & Acquisitions	2	100.0%	0.0%	100.0%
Shareholder	Proposals Related to Routine Business & Operational Matters	197	94.8%	5.2%	100.0%
Shareholder	Proposals to Adopt or Amend Shareholder Rights	153	85.3%	14.7%	100.0%
Shareholder	Proposals on Social, Political, or Environmental Matters	426	81.8%	18.2%	100.0%
	Totals	**1,464**			
ALL	**Total Management Proposals**	**62,592**	**89.4%**	**10.6%**	**100.0%**
ALL	**Total Shareholder Proposals**	**1,464**	**86.7%**	**13.3%**	**100.0%**
ALL	**Total Management and Shareholder Proposals**	**64,056**	**89.3%**	**10.7%**	**100.0%**

Key Voting Guidelines: Americas

Auditor ratification	Generally FOR approval of auditors. However AGAINST ratification of auditors and/or AGAINST members of the audit committee if: ▪ An auditor has a financial interest in or association with the company, and is therefore not independent; ▪ There is reason to believe that the auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position; ▪ The auditor has issued an adverse opinion on the company's most recent financial statements; ▪ A material weakness under applicable accounting rules rises to a level of serious concern, there are chronic internal control weaknesses, or there is an absence of effective control mechanisms; ▪ Pervasive evidence indicates that the committee entered into an inappropriate indemnification agreement with its auditor; or ▪ Non-audit fees are excessive in relation to audit-related fees without adequate explanation.
Auditor indemnification and limitation of liability	Generally AGAINST auditor indemnification and limitation of liability that limits shareholders' ability to pursue legitimate legal recourse against the audit firm.

Election of directors	Generally FOR slates with a majority of independent directors.
	FOR slates with less than a majority of independent directors if the company has a shareholder (or group of shareholders) who controls the company by means of economic ownership, not supervoting control.
	AGAINST individual directors in the following cases:
	▪ Inside directors and affiliated outside directors who serve on the board's Audit, Compensation or Nominating committees;
	▪ Any director who missed more than 25 percent of scheduled board and committee meetings, absent extraordinary circumstances;
	▪ Any director who exhibits such a high number of board commitments overall that it causes concerns about the director's effectiveness at any one of the companies. A director's portfolio of private company board seats is a secondary consideration. Specifically, concerns about overboarding arise with:
	    ▪ Any director who serves on more than five public company boards; or
	    ▪ Any director who is CEO of a publicly traded company and serves on more than one additional public board.
	▪ For U.S.-listed companies that have been independent entities (whether by IPO or spinoff) for more than 10 years yet still maintain classified boards, our guidelines are to oppose the key board members responsible for setting corporate governance standards. After a company has reached a certain level of maturity, our view is it is no longer appropriate to rely on staggered board elections as a defensive mechanism, as these insulate a company's directors from its shareholders.

Key Voting Guidelines: Americas continued

Election of directors (continued)

AGAINST members of the Nominating and Corporate Governance Committee and the Lead Independent Director (or Independent Chair) in the following case:

- For U.S.-listed companies controlled by means of dual-class stock with superior voting rights, our guidelines are to oppose the key board members responsible for setting corporate governance standards. Over many years of investing in the U.S. equities market, we have reached the conclusion that companies controlled by means of dual-class stock present more disadvantages to long-term investors than any potential advantages unless there is a strong, time-based sunset provision of a reasonable duration. We have become alarmed, in recent years, to see the number of such companies growing due to IPOs. In our view, supporting the re-elections of the Nominating and Governance Committees at such companies sends the message that we are comfortable maintaining their dual-class structures indefinitely. In fact, this is not the case. If we conclude that the positive attributes of the investment, in total, outweigh the risks, we may make the decision to maintain an investment in the company despite the dual-class structure. However, we feel a responsibility to attempt to engage in dialogue with these companies about potential ways they could transition to a one-share, one-vote capital structure over time. Due to the nature of voting at controlled companies, our opposition to board members carries no possibility of changing the outcome. Nevertheless, we believe this voting guideline, accompanied by engagement, is the appropriate way to express our view that control by means of dual-class stock with superior voting rights does not serve the long-term interests of investors.

AGAINST members of the Compensation Committee in the following cases:

- Company re-prices underwater options for stock, cash or other consideration without prior shareholder approval;
- Company has demonstrated poor compensation practices, taking into consideration performance results and other factors; or
- Compensation Committee members approve excessive executive compensation or severance arrangements.

AGAINST the entire board, certain committee members or all directors in the following cases:

- Directors failed to take appropriate action following a proposal that was approved by a majority of shareholders;
- Directors adopted a poison pill without shareholder approval, unless the board has committed to put it to a vote within the next 12 months;
- Directors exhibit persistent failure to represent shareholders' interests or fail in the oversight of material governance, environmental, or social risks, in the opinion of T. Rowe Price; or
- One or more directors remain on the board after having received less than 50 percent of votes cast in the prior election.
- In cases where T. Rowe Price has voted AGAINST director elections in multiple consecutive years due to one of the concerns listed above, we are likely to escalate the vote to additional directors or to the entire board if the underlying concern remains unaddressed.

Board diversity policy

Board diversity is an important issue for a growing number of investors, including T. Rowe Price.

At a high level, the composition of the average company board does not yet reflect the diversity of the stakeholders these companies represent — their employees, customers, suppliers, communities, or investors. Our experience leads us to observe that boards lacking in diversity represent a sub-optimal composition and a potential risk to the company's competitiveness over time.

We recognize diversity can be defined across a number of dimensions. However, if a board is to be considered meaningfully diverse, in our view some diversity across gender, ethnic, or nationality lines must be present. For companies in the Americas, we generally oppose the re-elections of Governance Committee members if we find no evidence of board diversity.

Key Voting Guidelines: Americas continued

Climate transparency policy	Our Election of Directors policy includes the possibility that T. Rowe Price may choose to oppose directors for failure in the oversight of material environmental risks. Here we provide additional details on the parameters of this policy. For companies in the Americas region operating businesses in industries with the highest carbon intensity, our expectation is these companies disclose, at a minimum, their total annual absolute Scope 1 and Scope 2[2] greenhouse gas (GHG) emissions. Failure by companies in these industries to disclose this data leaves their investors unable to properly analyze their exposure to climate change risk. For this transparency gap, we will generally oppose the re-elections of all non-executive incumbent directors. To implement this policy, we have identified those companies that are both highly exposed to the impact of climate change and have demonstrated insufficient preparedness for the energy transition. Our screening methodology uses a three-step process: 1) We use the European Union's Sustainable Finance Disclosure Regulation's list of high impact climate sectors to define the scope of companies with high exposure. 2) We use our proprietary Responsible Investing Indicator Model (RIIM) to screen within these sectors for companies that may not be adequately managing their climate risks. As a minimum standard, if companies in these sectors are reporting their Scope 1 and 2 greenhouse gas emissions, they are deemed exempted from this policy. 3) Finally, we identify any mitigating or idiosyncratic circumstances that indicate it is not appropriate to apply the policy to a company at this time. For example, exceptions may be made for very small or very newly public companies.
Require independent board chair	CASE-BY-CASE, taking into consideration primarily the views of the portfolio manager as to whether the role of board chair should be a separate position. Secondary considerations include the role of the board's Lead Independent Director and the board's overall composition.
Majority voting	Majority voting is a crucial accountability mechanism. We vote FOR proposals asking the board to initiate the process to provide that director nominees be elected by the affirmative majority of votes cast at an annual meeting of shareholders. Resolutions should specify a carve-out for a plurality vote standard when there are more nominees than board seats.
Proxy contests	CASE-BY-CASE, considering the long-term financial performance of the target company relative to its industry, management's track record, the qualifications of the shareholder's nominees, and other factors. A detailed statement on this topic is available in our publication **T. Rowe Price's Investment Philosophy on Shareholder Activism**. For a copy of this publication, visit www.troweprice.com/esg
Proxy access	T. Rowe Price believes significant, long-term investors should be able to nominate director candidates using the company's proxy, subject to reasonable limitations. Generally, FOR shareholder proposals offering a balanced set of limitations and requirements for proxy access. We support proposals suggesting ownership of three percent of shares outstanding with a three-year holding period as the standard for access to the proxy. We do not believe there should be undue impediments to a proponent's ability to aggregate holdings with other shareholders in order to qualify for access to the proxy. Generally, we will vote AGAINST proposals (whether sponsored by shareholders or by management) putting forth requirements materially different from these thresholds. We will also vote AGAINST shareholder proposals to amend existing proxy access bylaws if the company has already adopted a bylaw that meets the general parameters described above.
Adopt or amend poison pill (management proposals)	Generally, AGAINST. In Canada, a vote FOR will be considered if appropriate shareholder protections are in place.
Amend/rescind poison pill (shareholder proposals)	FOR, unless the shareholders have already approved the pill, or the company commits to giving shareholders the right to approve it within 12 months.

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

Key Voting Guidelines: Americas continued

Annual vs. staggered board elections	AGAINST proposals to elect directors to staggered, multi-year terms. FOR proposals to repeal staggered boards and elect all directors annually. Our general perspective is companies with classified boards that have been independent public issuers for a period of more than 10 years should be undertaking a process to transition to full annual director elections.
Adopt cumulative voting	AGAINST
Shareholder ability to call special meetings	FOR proposals allowing shareholders to call special meetings when either (a) the company does not already afford shareholders that right, or (b) the threshold to call a special meeting is greater than 25 percent. AGAINST proposals to reduce the threshold of shareholders required if the company has in place a standard of no more than 25 percent. AGAINST proposals to restrict or prohibit shareholders' ability to call special meetings.
Shareholder ability to act by written consent	Generally, AGAINST shareholder proposals requesting the right to shareholder action by written consent. Written consent is not a fair or effective means of enabling investor access.
Simple majority vs. supermajority provisions	AGAINST proposals to require a supermajority shareholder vote. Generally FOR proposals to adopt simple majority requirements for all items that require shareholder approval.
State or country of incorporation	CASE-BY-CASE on domestic, state-to-state reincorporations. AGAINST proposals to reincorporate offshore. FOR proposals that call for companies incorporated in offshore tax havens to reincorporate in the United States. AGAINST shareholder proposals to move incorporation from one state to another.
Dual-class equity	AGAINST proposals that authorize the issuance of shares that would create disproportionate voting rights. FOR proposals to implement a capital structure with one share, one vote. For additional context, see above our guidelines on director elections at companies controlled by means of dual-class stock.
Authorization of additional common stock	CASE-BY-CASE
Reverse stock split	Generally, FOR proposals where there is a proportionate reduction in the number of authorized shares.
Preferred stock	Generally, FOR proposals to create a class of preferred stock where the company specifies acceptable voting, dividend, conversion and other rights. AGAINST proposals to create a blank check preferred stock with unspecified voting, dividend, conversion, and other rights.
Director compensation	Generally FOR proposals to award cash fees to non-executive directors, unless fees are excessive. Generally FOR director equity plans that are subject to reasonable stock ownership guidelines, have an appropriate vesting schedule, represent a prudent mix between cash and equity, provide adequate disclosure and do not include inappropriate benefits such as post- retirement payments or executive perks.
Mergers, acquisitions and corporate restructurings	CASE-BY-CASE. The view of the portfolio manager is a primary consideration.
Adjourn meeting or other business	AGAINST, as the company should abide by the vote results as of the date of the meeting.

Key Voting Guidelines: Americas continued

Shareholder proposals related to political spending and lobbying	CASE-BY-CASE, if we believe the decision to engage in political or lobbying activities poses a unique risk for a particular company and it is unclear whether the board oversees and monitors such risk adequately, T. Rowe Price will generally support shareholder resolutions seeking additional disclosure. A company's level of disclosure on this issue relative to its peers is a consideration, as is the level of consistency between a company's public statements on ESG issues and the nature of its lobbying activity.
Shareholder proposals of a social or environmental nature	Shareholder proposals of a social or environmental nature – It is T. Rowe Price policy to analyze every shareholder proposal of a social or environmental nature on a CASE-BY-CASE basis. See the section labeled **Guidelines for Shareholder Proposals of an Environmental, Social or Political Nature**.

The Americas region includes the US, the market with the most extreme executive pay packages. To evaluate US pay plans in a consistent manner, our US custom policy includes our own pay model. The US also sees multiple proxy contests each year and a significant number of shareholder resolutions.

The year 2021 was described as a 'breakout' year for resolutions addressing environmental, social and political issues, particularly in the US. Issues such as racial justice, income inequality, worker safety and climate change had been on prominent display within the corporate sector due to a confluence of events, including the coronavirus pandemic. By extension, shareholder resolutions addressing such issues received greater average support from investors and higher visibility in 2021 when compared with previous years.

However, in the 2022 AGM season, those trends stalled. There are multiple reasons for this outcome. It began when the US Securities and Exchange Commission adapted its interpretation of what types of resolutions were eligible to be added to a company's proxy and voted on by the shareholder base. The SEC allowed significantly more proposals across a wider range of environmental and social topics to move forward. The traction that so many of these resolutions gained in 2021 seemed not only to attract a new set of proponents, but also to inspire experienced proponents to expand their advocacy.

Our observation is that the increase in the volume of proposals resulted in a decrease in their overall quality. We observed more inaccuracies in proposals this year, more poorly targeted resolutions and more proposals addressing non-core issues. In addition, we observed a marked increase in the level of prescriptive requests. Proponents have moved swiftly from disclosure-based requests (seeking additional reporting on ESG matters) to action-based requests (seeking specific commitments, capital investments or structural changes from the targeted companies). At the same time, proponents exhibited a lower propensity to negotiate settlements with issuers before taking a proposal to a vote.

TRPA

Americas | 32,793 Management and Shareholder Proposals

Management Proposals	# of Proposals	% With Mgmt.
Elect Directors (Uncontested)	22,395	85.7%
Management Compensation: Say on Pay and Equity Plans	3,777	82.8%
Appoint Auditors/Approve Auditor Fees	3,408	99.5%
Routine Business and Operational Matters	1,040	73.8%
Capital Structure Items	820	74.8%
Other	507	91.9%
Total	**31,947**	

Shareholder Proposals	# of Proposals	% With Mgmt.
Social, Political, or Environmental Matters	341	79.9%
Elect Directors (Contested)	229	84.4%
Adopt or Amend Shareholder Rights	153	85.3%
Related to Routine Business and Operational Matters	44	93.0%
Related to Compensation Policies	39	84.6%
Other	40	85.0%
Total	**846**	

Key Voting Guidelines: EMEA

Approve financial results, director reports, auditor reports	FOR, unless there are concerns about the accounts presented or the audit procedures used, or if the company does not provide adequate information to make a decision.
Appointment of auditors and auditor fees	FOR the reelection of auditors and proposals authorizing the board to fix auditor fees. AGAINST if there are serious concerns about the accounts presented or the audit procedures used; the auditors are being changed without explanation; or non audit-related fees are substantial or are routinely in excess of standard annual audit-related fees. AGAINST the appointment of external auditors if they have previously served the company in an executive capacity or can otherwise be considered affiliated with the company. A “cooling off” exception will be considered after three years for retired partners of a company’s auditor. AGAINST, if the company has not disclosed the auditor’s fees.
Approve allocation of income	Generally FOR. In cases of payout ratios on either end of the extreme (less than 30% or greater than 100%), CASE-BY-CASE.
Board diversity policy	Board diversity is an important issue for a growing number of investors, including T. Rowe Price. At a high level, the composition of the average company board does not yet reflect the diversity of the stakeholders these companies represent — their employees, customers, suppliers, communities, or investors. Our experience leads us to observe that boards lacking in diversity represent a sub-optimal composition and a potential risk to the company’s competitiveness over time. We recognize diversity can be defined across a number of dimensions. However, if a board is to be considered meaningfully diverse, in our view some diversity across gender, ethnic, or nationality lines must be present. For companies in EMEA we generally oppose the re-elections of Governance Committee members if we find no evidence of board diversity. In markets where there is a well-established expectation for board diversity (regulatory, quasi-regulatory or listing standards), T. Rowe Price will generally apply the same expectation. (U.K., Ireland) Over the course of 2023 and 2024, our voting in these markets will reflect rising expectations for board diversity (both by gender and by ethnicity) as well as diverse representation on the executive committee level. For smaller companies in these markets, our diversity policy is applied to single-gender boards. (Europe) In the Continental European markets our minimum expectation for board diversity of companies on the main listing is they should be at least 30% diverse by gender. For smaller companies in these markets, our diversity policy is applied to single-gender boards. (EMEA) Elsewhere in EMEA our diversity policy is applied to single-gender boards.

Key Voting Guidelines: EMEA continued

Climate transparency policy	Our Election of Directors policy includes the possibility that T. Rowe Price may choose to oppose directors for failure in the oversight of material environmental risks. Here we provide additional details on the parameters of this policy. For companies in the EMEA region operating businesses in industries with the highest carbon intensity, our expectation is these companies disclose, at a minimum, their total annual absolute Scope 1 and Scope 2[3] greenhouse gas emissions. Failure by companies in these industries to disclose this data leaves their investors unable to properly analyze their exposure to climate change risk. For this transparency gap, we will generally oppose the re-elections of all non-executive incumbent directors. To implement this policy, we have identified those companies that are both highly exposed to the impact of climate change and have demonstrated insufficient preparedness for the energy transition. Our screening methodology uses a three-step process: 1) We use the European Union's Sustainable Finance Disclosure Regulation's list of high impact climate sectors to define the scope of companies with high exposure. 2) We use our proprietary Responsible Investing Indicator Model (RIIM) to screen within these sectors for companies that may not be adequately managing their climate risks. As a minimum standard, if companies in these sectors are reporting their Scope 1 and 2 greenhouse gas emissions, they are deemed exempted from this policy. 3) Finally we identify any mitigating or idiosyncratic circumstances that indicate it is not appropriate to apply the policy to a company at this time. For example, exceptions may be made for very small or very newly public companies.
Discharge of board and management	Generally, FOR. AGAINST if significant and compelling controversy exists surrounding the board's execution of its duties, or if legal action is being taken against company directors.
Related party transactions	CASE-BY-CASE
Election of directors	Generally, FOR. AGAINST if: ▪ Adequate disclosure has not been provided in a timely manner; ▪ There are clear concerns over questionable finances or restatements; ▪ There have been questionable transactions with conflicts of interest; ▪ There are any records of abuses against minority shareholder interests; or ▪ The board fails to meet minimum corporate governance standards Vote FOR individual nominees unless there are specific concerns about the individual, such as criminal wrongdoing, breach of fiduciary responsibilities or egregious failure to oversee material governance, environmental, or social incidents. Vote AGAINST individual directors if absences (>25%) at board meetings have not been explained (in countries where this information is disclosed). Vote AGAINST shareholder nominees unless they demonstrate a clear ability to contribute positively to board deliberations. Vote AGAINST labor representatives if they sit on either the audit or compensation committee, as they are not required to be on those committees. Vote AGAINST insiders and affiliated directors if the board does not meet local best-practice standards for overall independence. Vote AGAINST the entire board if, at a minimum, the names of the director nominees are not disclosed in advance of the meeting. (UK only) Vote AGAINST executives holding a combined CEO and Chair role, absent a compelling explanation for why this non-standard structure is appropriate. In cases where a negative vote is warranted for the Chair of any company, T. Rowe Price may enter an ABSTAIN to keep our response proportionate to the issue.

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

Key Voting Guidelines: EMEA continued

Renew partial takeover provision	FOR
Lower disclosure threshold for stock ownership	AGAINST
Issue shares (with or without preemptive rights)	General Issuances: ▪ Generally, FOR issuance requests with preemptive rights to a maximum of 50% over currently issued capital. ▪ Vote FOR issuance requests without preemptive rights to a maximum of 10% of currently issued capital, in most markets. ▪ Exceptions are made for smaller cap European companies, for which we would generally approve requests up to 100% with pre-emptive rights and 20% without rights. Specific Issuances: ▪ Vote CASE-BY-CASE on all requests, with or without preemptive rights. ▪ In the U.K. market we generally support resolutions in line with the Pre-Emption Group Principles.
Share repurchase plans	CASE-BY-CASE. Generally FOR repurchase authorities up to 10% of issued share capital, unless there is clear evidence of past abuse of the authority, or the plan contains no safeguards against selective buybacks.
Increase authorized capital	Vote AGAINST proposals to adopt unlimited capital authorizations. Vote FOR non-specific proposals to increase authorized capital up to 100% over the current authorization unless the increase would leave the company with less than 30% of its new authorization outstanding. Vote FOR specific proposals to increase authorized capital to any amount, unless: ▪ The specific purpose of the increase (such as a share-based acquisition or merger) does not meet TRP guidelines for the purpose being proposed. ▪ The increase would leave the company with less than 30% of its new authorization outstanding after adjusting for all proposed issuances.
Equity plans	CASE-BY-CASE, taking into account plan features such as the number of shares reserved for issuance, the growth characteristics of the company, any discounts applied to the exercise price, the plan's administration, performance and vesting criteria, the repricing policy, the breadth of distribution of options within the company, and other features. CASE-BY-CASE consideration of stock grants outside of established plans, taking into account the total potential dilution of the grant when combined with existing plans.
Incentive plans (ESPPs and share option schemes)	CASE-BY-CASE, taking into account employee eligibility, dilution, offering period and offering price, discounts, participation limits and loan terms.
Approve remuneration policy/Approve remuneration report	Assess each company's compensation practices on a CASE-BY-CASE basis, taking into account how performance conditions for all elements of variable pay are clearly aligned with the company's strategic objectives, with vesting and holding periods that are in line with local good practice. Companies electing to include ESG metrics in their remuneration plans should demonstrate that such metrics are both material to the company's results and quantifiable. A comprehensive discussion of our global compensation principles is on page 12.

Key Voting Guidelines: EMEA continued

Mergers and acquisitions	CASE-BY-CASE Vote AGAINST if the companies do not provide sufficient information to make an informed voting decision.
Mandatory take-over bid waivers	CASE-BY-CASE
Expansion of business activities	Generally, FOR.
Shareholder proposals of a social or environ-mental nature	Shareholder proposals of a social or environmental nature – It is T. Rowe Price policy to analyze every shareholder proposal of a social or environmental nature on a CASE-BY-CASE basis. See the section labeled **Guidelines for Shareholder Proposals of an Environmental, Social or Political Nature**.
Management proposal to approve climate plan ("Say on Climate")	Vote CASE-BY-CASE on management proposals requesting shareholders approve the company's climate transition action plan, taking into account the completeness and rigor of the plan. A detailed discussion of our framework for assessing Say on Climate votes is found in our Net Zero Voting Policy section later in this document.
Virtual Shareholder Meetings	In general, T. Rowe Price supports management discretion to host its annual or special meetings in a virtual format, assuming appropriate mechanisms are in place to enable shareholder participation. For companies that select practices outside of established regional norms, we may oppose the resolutions enabling the virtual shareholder meeting format.

The expectation for female gender board representation in Europe was increased this year in our custom voting policy. We gave companies credit in 2022 if they demonstrated progress but will interpret the voting policy more strictly in future years. We undertook a screening exercise in 2021 and proactively engaged with UK holdings that were well below the expected female board representation of one-third. In 2022 we were pleased to see some of the boards appoint new female directors.

Disclosure of variable pay metrics remains weak in many continental European markets. There is a culture of pay restraint in markets such as the Netherlands, which is taken into consideration when deciding how to apply the voting guidelines.

EMEA | **17,327** Management and Shareholder Proposals

Management Proposals	# of Proposals	% With Mgmt.
Elect Directors (Uncontested)	7,056	94.6%
Routine Business and Operational Matters	3,204	96.7%
Management Compensation: Say on Pay and Equity Plans	2,799	88.0%
Capital Structure Items	2,721	97.1%
Appoint Auditors/Approve Auditor Fees	938	98.0%
Other	354	86.2%
Total	**17,072**	

Shareholder Proposals	# of Proposals	% With Mgmt.
Elect Directors (Contested)	96	86.3%
Related to Routine Business and Operational Matters	88	98.8%
Social, Political, or Environmental Matters	35	89.5%
Related to Auditors	19	100.0%
Related to Compensation Policies	10	100.0%
Other	7	85.7%
Total	**255**	

Key Voting Guidelines: Asia-Pacific

Approve financial results, director reports, auditor reports	FOR, unless there are concerns about the accounts presented or the audit procedures used, or if the company does not provide adequate information to make a decision.
Appointment of auditors and auditor fees	FOR the reelection of auditors and proposals authorizing the board to fix auditor fees. AGAINST if there are serious concerns about the accounts presented or the audit procedures used; the auditors are being changed without explanation; or non audit-related fees are substantial or are routinely in excess of standard annual audit-related fees. AGAINST the appointment of external auditors if they have previously served the company in an executive capacity or can otherwise be considered affiliated with the company. A “cooling off” exception will be considered after three years for retired partners of a company’s auditor. AGAINST, if the company has not disclosed the auditor’s fees.
Approve allocation of income	Generally FOR. In cases of payout ratios on either end of the extreme (less than 30% or greater than 100%), CASE-BY-CASE.
Appointment of internal statutory auditors	FOR, unless: ▪ There are serious concerns about the statutory reports presented or the audit procedures; ▪ Questions exist concerning any of the statutory auditors being appointed; or ▪ The auditors have previously served the company in an executive capacity or can otherwise be considered affiliated with the company.
Related party transactions	CASE-BY-CASE
Election of directors	Generally, FOR. Vote AGAINST if: ▪ Adequate disclosure has not been provided in a timely manner; ▪ There are clear concerns over questionable finances or restatements; ▪ There have been questionable transactions with conflicts of interest; ▪ There are any records of abuses against minority shareholder interests; or ▪ The board fails to meet minimum corporate governance standards Vote FOR individual nominees unless there are specific concerns about the individual, such as criminal wrongdoing, breach of fiduciary responsibilities or egregious failure to oversee material governance, environmental, or social incidents. Vote AGAINST individual directors if absences (>25%) at board meetings have not been explained (in countries where this information is disclosed). Vote AGAINST shareholder nominees unless they demonstrate a clear ability to contribute positively to board deliberations. Vote AGAINST insiders and affiliated directors if the board does not meet local best-practice standards for overall independence. Vote AGAINST the entire board if, at a minimum, the names of the director nominees are not disclosed in advance of the meeting.

Key Voting Guidelines: Asia-Pacific continued

Election of directors (continued)	(Japan only) If cross-shareholdings are in place, directors of each company will not be considered independent under T. Rowe Price policy. In cases where a negative vote is warranted for the Chair of any company, T. Rowe Price may enter an ABSTAIN to keep our response proportionate to the issue. (Japan) If cross-shareholdings are in place, directors of each company will not be considered independent under T. Rowe Price policy. (Japan) Vote against the top executive(s) if a company allocates a significant portion of its net assets to cross-shareholdings. (Japan) Vote against the top executive(s) if at least one-third of the board members are not outside directors.
Board diversity policy	Board diversity policy Board diversity is an important issue for a growing number of investors, including T. Rowe Price. At a high level, the composition of the average company board does not yet reflect the diversity of the stakeholders these companies represent — their employees, customers, suppliers, communities, or investors. Our experience leads us to observe that boards lacking in diversity represent a sub-optimal composition and a potential risk to the company's competitiveness over time. We recognize diversity can be defined across a number of dimensions. However, if a board is to be considered meaningfully diverse, in our view some diversity across gender, ethnic, or nationality lines must be present. For companies in the Asia-Pacific region, we generally oppose the re-elections of Governance Committee members and/or senior executives, as appropriate, if we find no evidence of board diversity. In markets where there is a well-established expectation for board diversity (regulatory, quasi-regulatory or listing standards), T. Rowe Price will generally apply the same expectation. (Australia) Starting in 2023, our expectations of Australian issuers in the ASX 300 is to have at least 30% diversity by gender.
Climate transparency policy	Our Election of Directors policy includes the possibility that T. Rowe Price may choose to oppose directors for failure in the oversight of material environmental risks. Here we provide additional details on the parameters of this policy. For companies in the Asia-Pacific region operating businesses in industries with the highest carbon intensity, our expectation is these companies disclose, at a minimum, their total annual absolute Scope 1 and Scope 2[4] greenhouse gas emissions. Failure by companies in these industries to disclose this data leaves their investors unable to properly analyze their exposure to climate change risk. For this transparency gap, we will generally oppose the re-elections of all non-executive incumbent directors. To implement this policy, we have identified those companies that are both highly exposed to the impact of climate change and have demonstrated insufficient preparedness for the energy transition. Our screening methodology uses a three-step process: 1) We use the European Union's Sustainable Finance Disclosure Regulation's list of high impact climate sectors to define the scope of companies with high exposure. 2) We use our proprietary Responsible Investing Indicator Model (RIIM) to screen within these sectors for companies that may not be adequately managing their climate risks. As a minimum standard, if companies in these sectors are reporting their Scope 1 and 2 greenhouse gas emissions, they are deemed exempted from this policy. 3) Finally we identify any mitigating or idiosyncratic circumstances that indicate it is not appropriate to apply the policy to a company at this time. For example, exceptions may be made for very small or very newly public companies.

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

Key Voting Guidelines: Asia-Pacific continued

Renew partial takeover provision	FOR
Lower disclosure threshold for stock ownership	AGAINST
Issue shares (with or without preemptive rights)	General Issuances: ▪ Generally, FOR issuance requests with preemptive rights to a maximum of 50% over currently issued capital. ▪ Vote FOR issuance requests without preemptive rights to a maximum of 10% of currently issued capital, in most markets. Specific Issuances: ▪ Vote CASE-BY-CASE on all requests, with or without preemptive rights.
Share repurchase plans	CASE-BY-CASE. Generally FOR repurchase authorities up to 10% of issued share capital, unless there is clear evidence of past abuse of the authority, or the plan contains no safeguards against selective buybacks.
Incentive plans (ESPPs and share option schemes)	CASE-BY-CASE, taking into account employee eligibility, dilution, offering period and offering price, discounts, participation limits and loan terms.
Increase authorised capital	Vote AGAINST proposals to adopt unlimited capital authorizations. Vote FOR non-specific proposals to increase authorized capital up to 100% over the current authorization unless the increase would leave the company with less than 30% of its new authorization outstanding. Vote FOR specific proposals to increase authorized capital to any amount, unless: ▪ The specific purpose of the increase (such as a share-based acquisition or merger) does not meet TRP guidelines for the purpose being proposed. ▪ The increase would leave the company with less than 30% of its new authorization outstanding after adjusting for all proposed issuances.
Equity plans	CASE-BY-CASE, taking into account plan features such as the number of shares reserved for issuance, the growth characteristics of the company, any discounts applied to the exercise price, the plan's administration, performance and vesting criteria, the repricing policy, the breadth of distribution of options within the company, and other features. CASE-BY-CASE consideration of stock grants outside of established plans, taking into account the total potential dilution of the grant when combined with existing plans.
Ratify remuneration report ("Say on Pay")	Assess each company's compensation practices on a CASE-BY-CASE basis, taking into account company performance, terms of executive contracts, level of compensation, mix of compensation types, the quality of disclosure on compensation practices, and the company's overall governance profile. A comprehensive discussion of our global compensation principles is on page 12.
Mergers and acquisitions	CASE-BY-CASE Vote AGAINST if the companies do not provide sufficient information to make an informed voting decision.
Poison pills	Generally, AGAINST.
Expansion of business activities	Generally, FOR.

Key Voting Guidelines: Asia-Pacific continued

Debt issuance requests	FOR proposals to issue convertible debt instruments unless they create excessive dilution under TRP's equity issuance guidelines. FOR proposals to restructure debt, unless the terms of the restructuring would adversely affect shareholder rights. Vote non-convertible debt issuance requests on a CASE-BY-CASE basis, with or without preemptive rights.
Pledging of assets for debt	CASE-BY-CASE
Share reissuance plans	Generally FOR unless there is evidence of past abuse of this authority.
Increase borrowing power	CASE-BY-CASE
Shareholder proposals	CASE-BY-CASE
Shareholder proposals of a social or environmental nature	Shareholder proposals of a social or environmental nature – It is T. Rowe Price policy to analyze every shareholder proposal of a social or environmental nature on a CASE-BY-CASE basis. See the section labeled **Guidelines for Shareholder Proposals of an Environmental, Social or Political Nature**.
Management proposal to approve climate plan ("Say on Climate")	Vote CASE-BY-CASE on management proposals requesting shareholders approve the company's climate transition action plan, taking into account the completeness and rigor of the plan. A detailed discussion of our framework for assessing Say on Climate votes is found in our Net Zero Voting Policy section later in this document.
Virtual Shareholder Meetings	In general, T. Rowe Price supports management discretion to host its annual or special meetings in a virtual format, assuming appropriate mechanisms are in place to enable shareholder participation. For companies that select practices outside of established regional norms, we may oppose the resolutions enabling the virtual shareholder meeting format.

In the Asia Pacific region, board independence and diversity remained two key areas of focus in 2022.

In markets where the say-on-climate voting concept has not gained traction – notably Japan – the spotlight remains on a small number of high-profile environmental resolutions brought by shareholders. In other markets such as Australia the say-on-climate concept is better accepted, although Australia did see a number of significant climate-related shareholder resolutions in 2022.

APAC | **13,936** Management and Shareholder Proposals

Management Proposals	# of Proposals	% With Mgmt.
Elect Directors (Uncontested)	6,560	92.0%
Routine Business and Operational Matters	2,408	93.0%
Capital Structure Items	1,896	92.0%
Management Compensation: Say on Pay and Equity Plans	1,380	84.4%
Mergers and Acquisitions	890	80.2%
Other	439	96.1%
Total	**13,573**	

Shareholder Proposals	# of Proposals	% With Mgmt.
Elect Directors (Contested)	165	92.1%
Related to Routine Business and Operational Matters	65	90.8%
Related to Auditors	52	100.0%
Social, Political, or Environmental Matters	50	92.2%
Related to Compensation Policies	23	56.5%
Other	8	87.5%
Total	**363**	

Shareholder resolutions

We approach shareholder resolutions by assessing the materiality of the issue raised by the proposal, as well as the general suitability of each resolution. Our analysis considers company-specific circumstances, including the current level of disclosure. We are unlikely to support resolutions which are excessively prescriptive or where we think the company is already taking action to address the stated concerns. There are also cases where we disagree in principle with what the proponent puts forward.

In our analysis of our voting patterns on shareholder resolutions, we use five categories. These categories include:

Environmental	Environmental proposals request that companies either disclose certain environmental data or adopt specific environmental policies or practices.
Social	The social category contains a wide range of proposals on issues ranging from specific operational practices at companies to broader societal issues such as diversity.
Political Spending and Lobbying	Political spending and lobbying proposals, an increasing number of which are climate-related, seek disclosure of a company's direct political contributions as well as indirect spending via trade associations.
Anti-nuclear Power	The anti-nuclear power category includes the large number of proposals brought forth every year at Japanese utility companies asking them to reduce or eliminate reliance on nuclear power sources.
Anti-ESG	The purpose of anti-ESG resolutions is to roll back company initiatives of an environmental or social nature.

Our support for shareholder resolutions in the environmental category dropped from 34% in calendar year 2021 to 21% this year. Our support for social resolutions fell from 20% to 11%. The reasons for the decline in support, related to the lower-quality nature of many resolutions, are detailed earlier in the Americas section.

Our support for resolutions addressing corporate lobbying and political spending has remained relatively steady, 32% in both 2021 and 2022.

These figures do not include two unique subcategories of shareholder resolutions, which we have identified as separate line items in the graph. One of these categories grew significantly this year and is expected to keep rising in 2023: anti-ESG proposals in the US. Such resolutions request that companies unwind their commitments to various ESG initiatives. Last year, we reported only nine such proposals across the T. Rowe Price portfolios. This year that figure is 46.

The second category is resolutions aimed at persuading Japanese electric utility companies to discontinue the use of nuclear power – a small but persistent movement that began with the Fukushima nuclear disaster in 2011. In our analysis, we believe it is important to separate these two categories because they represent the appropriation of the shareholder resolution process to address a narrow and non-economically based agenda.

Total Number of E&S Proposals Voted in 2022	Number	% of Total
Anti-ESG Proposals	46	9.6%
Anti-Nuclear Proposals	20	4.2%
Environmental Proposals	143	29.8%
Political Proposals	50	10.4%
Social Proposals	221	46.0%
Total	**480**	**100.0%**

Items by Category	Number	Supported	Opposed	Dnv Due to S/B	Total
Anti-ESG Proposals	46	-	45	1	46
Anti-Nuclear Proposals	20	-	20	-	20
Environmental Proposals	143	30	97	16	143
Political Proposals	50	16	34	-	50
Social Proposals	221	24	188	9	221
Totals	**480**	**70**	**384**	**26**	**480**

Percent by Category	Supported	Opposed	Dnv Due to S/B	Total
Anti-ESG Proposals	0.0%	97.8%	2.2%	100.0%
Anti-Nuclear Proposals	0.0%	100.0%	0.0%	100.0%
Environmental Proposals	21.0%	67.8%	11.2%	100.0%
Political Proposals	32.0%	68.0%	0.0%	100.0%
Social Proposals	10.9%	85.1%	4.1%	100.0%
Totals	**14.6%**	**80.0%**	**5.4%**	**100.0%**

In total, T. Rowe Price portfolios voted on 1,464 shareholder resolutions across all three regions in 2022. Of those, 583 were situations where shareholders were nominating directors to a company's board or technical proposals related to such nominations. Another 401 were resolutions asking companies to adopt specific corporate governance practices. Above, we focus on the 480 remaining proposals that specifically addressed environmental and social (E&S) issues. (Of note, 480 represents a 49% increase over the 323 resolutions on E&S topics that we voted in 2021.)

We assess both environmental and social resolutions on a case-by-case basis, considering the materiality of the issue being raised, the company's existing level of disclosure, the degree to which the resolution is prescriptive, the stated intentions of the proponents, the views of our internal experts on the matter and our engagement history with the company.

Climate-related shareholder resolution case studies

In 2022, Japan saw four high-profile resolutions at **Mitsubishi Corporation, Sumitomo Mitsui Financial Group, Inc., Chubu Electric Power** and **Tokyo Electric Power Company (TEPCO)**. Japan's Energy for a New Era (JERA) is a joint venture established in 2015 through which Chubu Electric and TEPCO operate thermal coal power stations. Our voting at Mitsubishi Corporation was already discussed in the split voting case study earlier in Principle 12; our voting at the other meetings is discussed below:

- At TEPCO and Chubu Electric we, along with 10% of TEPCO shareholders and 20% of Chubu Electric shareholders, voted in favour of similar shareholder resolutions requesting disclosure of asset resilience to a net zero by 2050 pathway.
- We voted against both resolutions at Sumitomo Mitsui Financial Group, Inc., as the company has already set suitable targets including a target aiming for net zero by 2050. It has also joined the relevant industry groups such as the Net Zero Banking Alliance and has provided a detailed action plan as part of its 2021 Taskforce on Climate-Related Financial Disclosures report. The resolutions received 28% and 10% support from shareholders, respectively.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Climate risk safeguarding shareholder resolutions (TRPA)	
Australia and New Zealand Banking Group Limited (ANZ)	National Australia Bank Limited (NAB)
Commonwealth Bank of Australia (CBA)	Westpac Banking Corp. (WBC)

Focus	Environmental
Company Description	These are the four major Australian banks
Asset Class	Equity and Fixed Income
Country	Australia
Issue	MarketForces filed shareholder resolutions at the four major Australian banks requesting that they immediately cease underwriting and lending to extractive clients due to new or expanded fossil fuel projects. Resolutions of this nature do not support an orderly transition to a low-carbon economy.
Analysis	Our view is that financial service providers have an important role to play in funding transitional technologies and projects, educating their extractives customers on where they are on the transition pathway and expanding the opportunity set for their clients who need to transition. In order to do this effectively, we believe it is paramount that a bank financing a 'high-emitting transitioner' has a robust and effective process to ensure that the borrower has a genuine, credible plan to achieve net zero. To tell banks and insurers to stop lending to extractive companies today, without the consideration of how the customer is transitioning, is inconsistent with our view that an orderly transition is possible. Finally, the resolution was impractical because even if the Australian financial services players decided not to finance fossil fuel projects anymore, foreign banks would step into the void and the projects themselves would proceed unchanged. This may also present challenges for the high-emitting transitioner if availability of financing becomes limited or at least more expensive over the coming years. Members of our Responsible Investing, Governance and Investment teams met with both MarketForces and the Australian banks to understand what the NGO is looking to achieve and also to understand how the banks are evaluating the credibility of the clients' transition plans.
Vote Decision	Following the engagements, we were comfortable with how the banks are addressing financed emissions on their balance sheet and how they are evaluating the credibility of clients' transition plans. We voted against these shareholder resolutions during the recent AGMs and will continue to monitor the banks' climate approaches over time. Given the high visibility of these resolutions, we shared our voting intentions at the first one at Commonwealth Bank of Australia in a public case study. The climate risk safeguarding resolution did not pass at any of the banks.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Shareholder resolution case study

Shareholder resolution calling for a third-party civil rights audit (TRPA)	
McDonald's Corporation	
Focus	Social
Company Description	McDonald's is an American multinational fast-food restaurant chain
Asset Class	Equity and Fixed Income
Country	US
Issue	Across the TRPA portfolios, we saw a rapid rise this year in the number of racial equity audits or civil rights audits. Given the cost of racial equity audits, their as-yet-unproven value and the need for management to invest time and resources to complete them, T. Rowe Price tends to take the view that they should be considered on a selective basis. McDonald's was an example of a situation where we voted differently based on company-specific circumstances (i.e., we supported the resolution).
Analysis	Supporters of racial equity or civil rights audits are divided into two camps: those who believe they should become a periodic exercise for all companies and those who believe companies should conduct them primarily to address evidence of inequality in the outcomes they influence. We have consistently voted AGAINST these proposals at most companies. Our recent voting decision at the McDonald's 2022 AGM is an example of a situation where we voted differently based on company-specific circumstances. McDonald's has a long and persistent history of legal settlements, US Equal Employment Opportunity Commission findings, friction with franchise owners and other evidence of inequitable outcomes based on race.
Vote Decision	In this particular case, we concluded an outside perspective on the impact of corporate policies would be a good investment. Some 56% of investors agreed with us, and the measure passed.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Proxy voting case studies

As discussed under Principle 11, one key development in 2022 was the introduction of proxy voting case studies, published to our public website on or around the time of the AGM to provide insight into how T. Rowe Price Associates, Inc., intends to vote at the meeting.

Documentation and reporting

The documents below detail our policies and our 2022 activity in proxy voting, responsible investing, engagement and shareholder activism. They are publicly available in the ESG section of our website.

Proxy Voting Guidelines	A detailed set of guidelines reflecting what we believe to be best practice on various corporate governance issues. The key points of each regional guideline are detailed in this Principle.
Proxy Voting Summary	An annual analysis of our proxy voting trends, including a year-over-year comparison by category. The key points are detailed in this Principle.
Engagement Policy	Detailed guidance for companies seeking to engage with T. Rowe Price on ESG matters.
Our Philosophy on Shareholder Activism	A detailed description of our policies on interaction with other investors in an activism context, and guidance for companies that are subjects of campaigns.
Voting Record	A searchable database of our proxy voting records for the most recent reporting period.
For or Against: The Year in Shareholder Resolutions	A detailed breakdown of our voting decisions for the previous year on resolutions across the environmental and social spectrum.

An example of a meeting record on our vote disclosure site is shown below. The company name and meeting details are shown as well as how we voted. It is also possible to filter to see only how a particular fund voted at the meeting rather than all funds.

‹ Back Public Power Corp. SA

Ticker	Meeting Date	Record Date	Security ID	Meeting Type	Industry Sector	Country
PPC	17-Mar-2022	11-Mar-2022	X7023M103	Extraordinary Shareholders	Electric Utilities	Greece

↑ Item #	Proposal	Mgmt Rec	Vote
	Extraordinary Business		
1	Amend Company Articles 9 and 17	For	For
2	Amend Suitability Policy for Directors	For	For
3	Various Announcements	None	None

The vote rationale is provided for any votes against management or votes against the T. Rowe Price custom policy. We also aim to provide an explanation for our voting on any high-profile shareholder resolutions, like the example below at Standard Chartered Plc. The voting rationale reflects the analysis undertaken by the Responsible Investing and Governance teams, including insights drawn from our engagement with the company.

‹ Back Standard Chartered Plc (Significant Meeting)

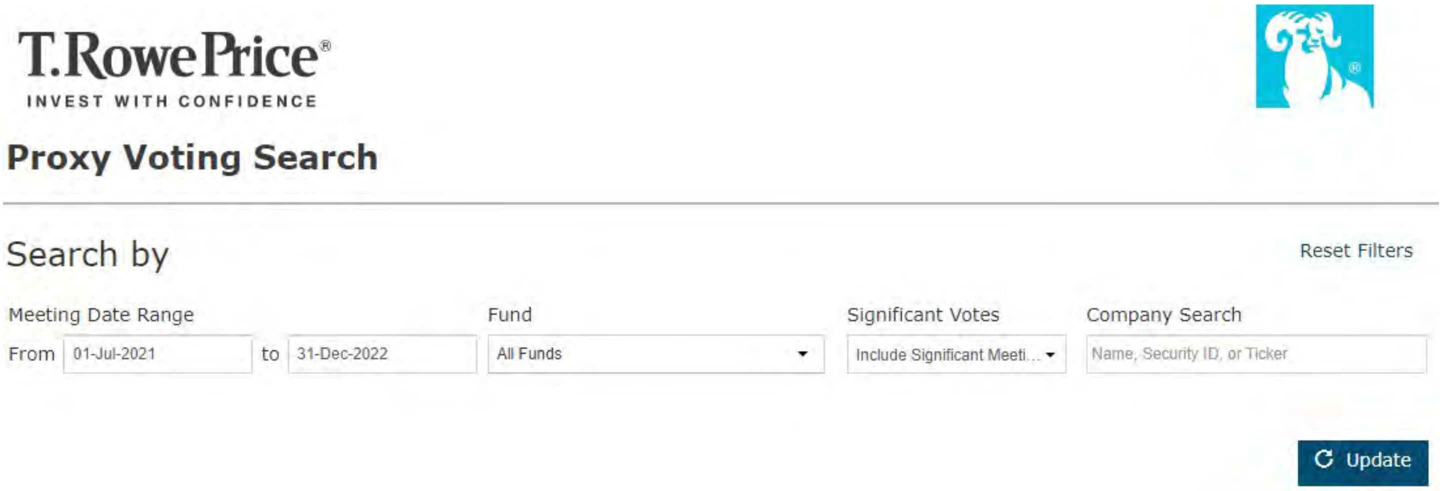
Ticker	Meeting Date	Record Date	Security ID	Meeting Type	Industry Sector	Country
STAN	04-May-2022	02-May-2022	G84228157	Annual	Banks	United Kingdom

↑ Item #	Proposal	Mgmt Rec	Vote
	Management Proposals		
1	Accept Financial Statements and Statutory Reports	For	For
2	Approve Final Dividend	For	For
3	Approve Remuneration Report *Voting Rationale:* *On balance, the Committee's decisions during the year appear reasonable.*	For	For
4	Approve Remuneration Policy *Voting Rationale:* *The disapplication of time pro-rating for outstanding LTIP awards is problematic given how broad the potential conditions are.*	For	Against

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Significant votes

Our heads of Governance apply a 'potentially significant votes' tag to meetings in our proxy voting platform during the year. Every six months, tagged meetings are reviewed in preparation of the internal vote rationales for publication. Meetings may be tagged where the situation is particularly contentious or the vote illustrates a key aspect of our voting approach. It is now possible to identify all significant meetings for the period using the 'Include Significant Meetings Only' option from the Significant Votes dropdown menu.



Approximately 410 meetings were tagged in 2022 using this process.

There is not currently a universal definition of a Significant Vote, partly because they are a fairly recent development. In 2022 the Governance team prioritised the following characteristics when identifying such votes for reporting purposes.

- Any vote that a member of the Governance team concludes is of high interest to the investing public in the market where the company is located.
- Contested board elections, to the extent we have a meaningful position in the company.
- Any vote where T. Rowe Price had made a public statement.
- Any vote that follows a recent, vote-related engagement with the company.
- Any vote for a company where we have an ongoing, active engagement of a contentious nature.
- Any vote that the Governance team determines is particularly illustrative of our general approach (or of a particular strategy's approach) to voting.
- Votes where one or more Impact funds voted differently than the mainstream portfolios.

Signatories should explain how they have monitored what shares and voting rights they have

T. Rowe Price has only a limited securities lending programme in place. However, we have a monthly review process in place to identify any potential situations and will recall or restrict securities from lending if necessary. Once a month, the heads of Governance review all stock currently out on loan as well as the names either restricted (i.e., their securities cannot be loaned out) or potentially subject to recall based on their knowledge of upcoming contentious meetings.

In between these reviews, when an analyst flags that an upcoming meeting is expected to be particularly high profile or contain a controversial voting matter, the security will be placed on the 'Meetings to Watch' watchlist. This ensures that the meeting is flagged in the daily voting emails so the meeting status and the time until the voting cutoff is clearly communicated. Any shares out on loan can be recalled at this point, without waiting for the next monthly review. In 2022 we enhanced this largely qualitative process by adding a quantitative element. We subscribed to ISS's Share Recall service, which delivers a file containing all known upcoming record dates for our holdings, as well as various indicators of the potential significance of the meetings. An analyst on the Governance team reviews this file weekly and recommends companies to be considered for restriction from the lending programme.

The amount of the issued share capital which T. Rowe Price strategies/portfolios hold at any point in time is accessible through our internal reporting to all members of the investment and ESG teams. The ballots to be voted are present in our voting platform. The voting queue clearly identifies if a meeting is not in a votable state, and any operational issues will be referred to our Proxy Operations team for investigation.

Corporate actions

In addition to the investor rights and responsibilities discussed above, T. Rowe Price has contracted a group dedicated to corporate actions, including rights issuances. These responsibilities are performed by BNY Mellon in its capacity as our middle-office service provider, in close cooperation with our investment teams. Corporate action information received daily from custodian banks and market data providers is verified by two or more authorised sources before being acted on. Once the event is verified, the fund accounting and portfolio accounting systems are queried for holders and respective positions.

Corporate action notifications are prepared daily and reviewed prior to distribution to T. Rowe Price investment personnel and BNY Mellon accounting staff. T. Rowe Price portfolio managers or other designated T. Rowe Price investment personnel authorise their voluntary corporate action decisions and submit them to BNY Mellon. Custodian confirmations or other communications that verify the receipt of the instructions are reviewed to ensure the elections were received in a timely fashion and will be acted on accordingly.

Closing Reflection

Based on the programmes described above, we believe T. Rowe Price complies fully with our duty under Principle 12 to actively exercise our rights and responsibilities, regardless of asset class. In 2022, key changes included the introduction of the TRPA climate transparency gap policy and our classified boards policy. Along with certain regional policy changes and the implementation of our single-gender boards policy for a full calendar year, these developments resulted in a notable drop in our support for director elections. A reduction in the quality of shareholder resolutions resulted in lower year-on-year support, with the exception of lobbying resolutions. The main change to our practices was greater transparency through the introduction of vote case studies shared before or around AGMs.

Appendix A – SRD II Disclosure

The 2022 Stewardship Report seeks to demonstrate how our investment approach aligns with the 2020 UK Stewardship Code. The 2020 code was the implementation in the UK of the section of the revised EU Shareholders' Rights Directive (2017/828) which describes how asset managers should publicly disclose information about the implementation of their engagement policy and how they have exercised their voting rights.

Article 3g requires that institutional investors and asset managers shall develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy. The policy shall describe how they monitor investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance, conduct dialogues with investee companies, exercise voting rights and other rights attached to shares, cooperate with other shareholders, communicate with relevant stakeholders of the investee companies and manage actual and potential conflicts of interests in relation to their engagement.

Institutional investors and asset managers shall, on an annual basis, publicly disclose how their engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisers. They shall publicly disclose how they have cast votes in the general meetings of companies in which they hold shares. Such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the company.

Table: Mapping between the Article 3g requirements and the 2022 Stewardship Report

Topic	Relevant Principle in the Stewardship Report
Engagement	Principle 9 – engagement Principle 10 – collaborative engagement Principle 11 – escalation
Voting, including significant votes	Principle 12 – voting
Use of proxy advisers	Principle 7 – expectations given to vendors Principle 8 – oversight of vendors Principle 12 – use within process

Appendix B – Japanese Stewardship Disclosure

Participation in Principles for Responsible Institutional Investors (Japan's Stewardship Code)

Published April 2023

We endorse the Principles of Responsible Institutional Investors, which is also known as Japan's Stewardship Code.

T. Rowe Price is a global investment management firm with local insight derived from our investment professionals and distribution teams. Our clients rely on our active investment management approach across a broad range of equity, fixed income and multi-asset investment capabilities. We apply an active, high-conviction and forward-looking approach across our investments, with a focus on long-term performance – offering a diversified range of strategies and vehicles to meet client needs in different regions.

Basic policy on responsible investment

At T. Rowe Price, we incorporate environmental, social and governance considerations across our investment platforms. We believe that ESG issues influence investment risk and return, and, therefore, we incorporate them into our fundamental investment analysis. Additionally, we recognise 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.

Our ESG Policy is available on our company website. It describes how we aim to enhance corporate value and to help our clients create more secure financial futures. Examples of how we integrate ESG into the investment process can be found in Principle 7 of our 2022 Stewardship Report.

Action policy on Principles for Responsible Institutional Investors

Principle 1

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities and publicly disclose it.

We have a single, global approach to stewardship which is set out in our 2022 Stewardship Report. ESG analysis is one of many building blocks that make up our global investment research platform. We have built specialist teams and technology to evaluate and integrate ESG factors across a range of asset classes.

Our proprietary research tools, including the Responsible Investing Indicator Model, Impact Lens and ESG-labelled Bond Framework, provide insights that third-party data alone cannot. They are designed specifically to help portfolio managers and analysts consider ESG factors as part of their investment process (see Principle 7 of our 2022 Stewardship Report).

A key tenet of our approach is our engagement with the companies in which we invest. While we engage with companies in a variety of different contexts, ESG engagement focuses on learning about, influencing or exchanging perspectives on the environmental practices, corporate governance or social issues affecting their business. We convey our expectations to companies and, in most cases, encourage them to make changes which we believe to be in the best interest of their business and our clients (see Principle 9 of our 2022 Stewardship Report).

Principle 2

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Our global Conflicts of Interest policy is contained within our Code of Ethics and Conduct, which is available on our public website here. We established our Conflicts of Interest Policy to ensure that all appropriate steps are taken to prevent or manage conflicts of interest which could be detrimental to the interests of clients. Where conflicts cannot be avoided, we seek to mitigate them through organisational and administrative controls and, where necessary, disclosure to clients. Our Conflicts of Interest Management Policy under the Japanese regulatory can be found on our website (Japanese).

Our overarching approach to dealing with potential conflicts of interest related to stewardship is to resolve them by taking the path which best serves our clients' interests. Principle 3 of the Stewardship Report 2022 sets out how conflicts may arise because of a range of issues, for example, merger and acquisition (M&A) scenarios where clients own the target and the acquirer, and how these would be managed.

Principle 3 then discusses how technological and process controls support the relevant T. Rowe Price ESG Committees in monitoring and resolving potential conflicts between the interests of T. Rowe Price and those of its clients with respect to proxy voting. A description of the composition and role of the T. Rowe Price Associates and T. Rowe Price Investment Management ESG Committees can be found in Principle 2 of the Stewardship Report 2022.

Our governance structure is designed to protect the interests of shareholders in T. Rowe Price Group and our clients by establishing separate Boards of Directors for the firm and for our investment funds or trusts. The interests of our corporate shareholders are distinct from those of investment clients, so we have board structures to protect the interests of both groups. The group structure is complex and there are several regional subsidiaries, each of which has its own board. The firm's Boards of Directors strive for excellence for all our clients, ensuring that our policies, practices, and actions reflect the highest levels of ethics and integrity.

Principle 2 of the Stewardship Report 2022 sets out our governance structure and how it has evolved in 2022. The TRPA and TRPIM ESG Committees oversee our stewardship policies and are responsible for ensuring they remain fit for purpose. The T. Rowe Price Group Nominating and Corporate Governance Committee is responsible for approving the Stewardship Report before it is signed off by a member of our Chief Investment Officer Group who also serves on the Management Committee.

Principle 3

Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies

Our approach to monitoring is discussed in Principle 9 of the Stewardship Report 2022. The frequency of our monitoring activity is a function of the asset class of the investment, its reporting cycle, the size of our investment and the degree to which we have concerns about performance. Due to our long-term time horizon and fundamentally driven approach to investing, monitoring of the management, performance, strategy and governance of our investee companies is a natural extension of our investment process. Our dedicated, in-house research analysts consider tangible investment factors such as financial information, valuation and macroeconomics in tandem with intangible investment factors related to the environment, social factors and corporate governance.

Our approach is the same whether our investment is held in an equity or fixed income strategy. The equity or credit analyst generally speaks with the management of the company or other issuer following the public release of any significant news, financial results or strategic developments. In between such events, our analysts are responsible for monitoring the public filings of the company as well as information from a variety of sources: broker-sponsored research, investment conferences, industry publications and analyst days. Our RIIM analysis also supports our regular portfolio monitoring reviews, as it will capture new data released and/or exposure to new controversies.

Principle 4

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

Our approach to engagement is discussed in Principle 9 of the Stewardship Report 2022. Our engagement programme is conducted by our portfolio managers with the support of our industry-focused analysts and our in-house specialists in corporate governance and sustainability in order to leverage their expertise on specific companies, industries or issues of an environmental, social or governance nature.

Our company engagement programme primarily takes place through formal letters to Boards of Directors, private meetings in our offices, conference calls and proxy voting. In general, we apply the same approach to engaging with companies whether the holding is in an equity or fixed income portfolio, and across all geographies. However, our equity Impact strategies take a particularly hands-on approach to joining up their voting and engagement activities as part of their commitment to additionality, driven from discussions at the weekly Impact Research Meeting.

Please also refer to our Engagement Policy here for more details and our approach to escalation under Principle 11 of the Stewardship Report 2022.

Where we believe this benefits our clients and is allowable under the applicable regulatory framework, we increasingly use collaborative engagement as a means of escalating a concern we have identified in an individual dialogue (see Principle 11). Collaborative engagement involves working with other investors to engage an issuer in a group dialogue on specific topics or to achieve a specific change. Principle 10 of the Stewardship Report 2022 provides more detail. The list of initiatives T. Rowe Price participates in can also be found under Principle 10 of the Stewardship Report 2022.

Our global policy strictly prohibits our associates from conducting insider trading and is contained in Code of Ethics and Conduct, and is available on our public website. Companies wanting to engage in a market sounding with T. Rowe Price should contact our Compliance team via our Market Soundings shared inbox, Market_Soundings@troweprice.com.

Principle 5

Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies

Our approach to voting is set out in Principle 12 of the Stewardship Report 2022. Our voting process considers both high-level principles of corporate governance and the circumstances specific to each entity. It includes significant involvement by investment analysts and portfolio managers. Our overarching objective is to cast votes in a thoughtful, investment-centred way, to foster long-term success for the entity and its investors.

T. Rowe Price maintains a custom set of voting guidelines, administered with the assistance of ISS. The custom policy is underpinned by the good practice expectations from local corporate governance codes and other market norms. T. Rowe Price's portfolio managers are ultimately responsible for the voting decisions within the strategies they manage. Principle 12 of the Stewardship Report 2022 provides more detail on how we use the proxy adviser, and Principle 8 provides how we monitor service providers.

We publish on our website a database of every vote from the prior period, searchable by issuer or by portfolio. The database contains voting rationales for key categories such as shareholder resolutions and votes contrary to the board's recommendations. The database is updated every six months. We publish a post-AGM season report for our clients each year, highlighting important corporate governance trends from the prior 12 months and aggregating our proxy voting decisions into categories. Both our voting guidelines and the voting results can be found on our website.

Principle 6

Institutional investors in principle should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

The Stewardship Report is published annually to demonstrate alignment with the UK Stewardship Code. The examples can also provide colour as to how we are meeting the expectations of related principles, such as the Japanese Stewardship Code. Clients also receive information about key ESG themes, engagement, proxy voting and investment approaches in our Annual ESG Report.

We also provide fund-level ESG reports, which help clients across the globe understand how our portfolios integrate ESG into their investments. The reports focus on stewardship (engagement activity relating to the fund), proxy voting and climate risk (fund carbon footprint). Our approach to client reporting is set out in Principle 6 of the Stewardship Report 2022.

In addition, we publish required disclosure under Japanese Stewardship Code in Japanese on our website (Japanese), for professional investors only.

Principle 7

To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

Our dedicated ESG resources are set out in Principle 2 of the Stewardship Report 2022. A team of 38 investment professionals are dedicated to ESG research. They are organised across three specialist teams – responsible investing, governance, and regulatory research. Each helps our analysts and portfolio managers identify, analyse and integrate the ESG factors most likely to have a material impact on an investment's performance. Our ESG specialist teams are supported by an operations team focused on proxy voting execution and a technology team focused on ESG data integration.

Our company's culture is based on collaboration and diversity, enabling us to identify opportunities others might overlook. We attract and retain top candidates by developing key talent and succession plans; investing in diversity, equity and inclusion initiatives; and creating opportunities for our associates to learn and grow and providing competitive benefits. Part of the success of our approach is demonstrated via tenure data – the average tenure of our portfolio managers is 17 years, as discussed in Principle 1 of the Stewardship Report 2022.

Although proprietary research is the main driver of our investment decision-making, we supplement our ESG research capabilities with data and services from several external providers. This is described under the Principle 8 of the Stewardship Report 2022.

How we conduct review our policies to ensure they enable effective stewardship is described under Principle 5 of the Stewardship Report 2022. The work of the Responsible Investing and Governance teams is overseen by the relevant adviser's ESG Committee. The majority of each ESG Committee are investors, with additional representatives drawn from the Legal and Operations teams. The TRPA ESG Committee typically meets twice a year, in winter and summer. The self-assessment and stewardship activities including proxy voting and engagement which are required under Japanese Stewardship Code are published annually on our website (Japanese), for professional investors only.

As the company is not a service provider for institutional investors, Principle 8 does not apply to us.

APPENDIX C

Appendix C – Index of case studies

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APPENDIX D

Appendix D – 2022 Engagements

Environmental (E), Social (S), and Governance (G) classifications of all company engagements.

T. Rowe Price Associates, Inc.

Company Name	Quarter	E	S	G
A O Smith Corp	1	●		
Abbott Laboratories	2		●	●
AbbVie Inc	2		●	
	2			●
	2			●
	3			●
	4	●	●	●
	4		●	
ABN AMRO Bank NV	2	●		
Acadia Healthcare Co Inc	2			●
ACADIA Pharmaceuticals Inc	2			●
Acadia Realty Trust	4	●	●	
Accenture PLC	3	●	●	●
Accor SA	1	●	●	
Activision Blizzard Inc	2		●	●
	4		●	●
Adesso SE	2			●
AES Andes SA	1	●		
AES Corp/The	2	●		
Agilent Technologies Inc	3	●	●	
Agios Pharmaceuticals Inc	4	●	●	●
AIA Group Ltd	4	●	●	
AIB Group PLC	1	●	●	
Air Liquide SA	2	●		
Airbus SE	1			●
	4	●		●
Aircastle Ltd	1	●	●	
AJ Bell PLC	4			●
	4			●
Akbank TAS	1	●	●	
Albemarle Corp	4	●		●
Alcon Inc	4	●	●	●
Alesco Corp Ltd	3			●
Alibaba Group Holding Ltd	1	●		●
	3	●	●	●
	3			●
	4			●
Alicorp SAA	1	●	●	
Alkermes PLC	1			●
Alnylam Pharmaceuticals Inc	2			●
Alphabet Inc	2	●	●	●
	4		●	●
Alstom SA	2	●		●
Altria Group Inc	4		●	●
Altus Group Ltd/Canada	2			●
Amadeus IT Group SA	1			●
	2			●
	4			●

Company Name	Quarter	E	S	G
Amazon.com Inc	2	●	●	●
	4	●	●	●
Amcor PLC	3	●	●	●
America Movil SAB de CV	3			●
American Electric Power Co Inc	4	●		●
American Express Co	2			●
	2	●	●	
	4			●
American Homes 4 Rent	4			●
American International Group Inc	2			●
Anheuser-Busch InBev SA/NV	4	●		●
Antofagasta PLC	3	●		
APA Group	4	●		●
Apartment Investment and Management Co	4			●
Apple Hospitality REIT Inc	4	●	●	
Apple Inc	4		●	●
Applied Materials Inc	1	●		
	4	●		
Arco Platform Ltd	4			●
Ares Capital Corp	1	●	●	
Argenx SE	2			●
Aristocrat Leisure Ltd	4	●	●	
Aritzia Inc	3	●	●	●
Arvinas Inc	4			●
Asahi Kasei Corp	4	●	●	●
Ascendis Pharma A/S	2			●
Ashtead Group PLC	1			●
Asics Corp	1		●	
ASML Holding NV	1			●
ASOS PLC	1			●
	1			●
	2			●
	2			●
	3			●
	3			●
	3	●	●	
	4			●
	4			●
Astellas Pharma Inc	4		●	●
AstraZeneca PLC	1	●	●	●
	4		●	
Autodesk Inc	1	●	●	
	4	●		
Automatic Data Processing Inc	2	●	●	
AvalonBay Communities Inc	1	●	●	●
	2			●
Avantor Inc	3	●	●	

Company Name	Quarter	E	S	G
Avery Dennison Corp	4		●	●
B3 SA - Brasil Bolsa Balcao	3	●	●	
Bakkafrost P/F	2	●	●	
Banco Santander Chile	3	●	●	
	3	●		
Bank of America Corp	2	●	●	●
	4	●	●	●
Bank of New York Mellon Corp/The	1			●
Barclays PLC	2	●		
Barry Callebaut AG	2		●	
	4			●
BAWAG Group AG	2			●
Baxter International Inc	2			●
Bayer AG	1		●	●
	2	●	●	
	3			●
	4		●	
Becton Dickinson and Co	3	●	●	
Bellis Finco PLC	2		●	●
Best Buy Co Inc	4	●	●	●
BHP Group Ltd	1		●	●
	4	●		●
Bill.com Holdings Inc	4			●
BNP Paribas SA	2		●	●
Boeing Co/The	2	●	●	●
boohoo Group PLC	1			●
	3	●	●	
Booking Holdings Inc	2			●
	4		●	●
Borouge PLC	2	●		
BP PLC	2			●
BRAC Bank Ltd	3	●	●	
Bristol-Myers Squibb Co	4	●	●	
Britvic PLC	1			●
	1	●	●	
	2	●	●	
Brixmor Property Group Inc	1	●	●	
Broadcom Inc	1			●
Broadridge Financial Solutions Inc	4			●
	4	●	●	
Bunge Ltd	2	●		●
Bunzl PLC	4	●	●	
Burberry Group PLC	1	●		
Burlington Stores Inc	1	●	●	●
ByteDance Ltd	1		●	
Cadence Design Systems Inc	4	●	●	●
CAE Inc	4			●
Canadian Natural Resources Ltd	4	●		
Capitec Bank Holdings Ltd	2			●
Cardinal Health Inc	3	●	●	●
	4			●
Cboe Global Markets Inc	4	●	●	
Cellnex Telecom SA	3			●
	4			●
Cenovus Energy Inc	1	●	●	
CenterPoint Energy Inc	2			●
Ceridian HCM Holding Inc	4		●	●
CF Industries Holdings Inc	4	●		●
Challenger Ltd	4			●
	4	●		●
Charles Schwab Corp/The	2		●	●
Cheniere Energy Inc	4	●		
Chevron Corp	2	●	●	
China Merchants Bank Co Ltd	1	●	●	
China Oil & Gas Group Ltd	2	●	●	

Company Name	Quarter	E	S	G
China Overseas Land & Investment Ltd	2	●	●	
China Resources Mixc Lifestyle Services Ltd	2	●		
Chipotle Mexican Grill Inc	2		●	●
Chubb Ltd	2	●	●	●
	4	●		●
Chubu Electric Power Co Inc	2	●		●
Cigna Corp	2		●	●
CIMB Group Holdings Bhd	1		●	
	3	●		
Citigroup Inc	2	●	●	●
	4	●	●	●
Citrix Systems Inc	1			●
Close Brothers Group PLC	2			●
CME Group Inc	2			●
Coca-Cola Co/The	4		●	
	4	●	●	
Coca-Cola Europacific Partners PLC	4	●	●	
Colbun SA	4	●		
Colgate-Palmolive India Ltd	1	●	●	
Coloplast A/S	2		●	
ComfortDelGro Corp Ltd	2			●
Commonwealth Bank of Australia	3			●
	4	●		●
Compass Group PLC	1			●
	3	●	●	
Conagra Brands Inc	4		●	
ConocoPhillips	2	●	●	●
	4	●		●
Constellation Brands Inc	2			●
	4			●
Coterra Energy Inc	4	●		●
Coupang Inc	3	●	●	
Covestro AG	4	●		●
Credicorp Ltd	3	●	●	
CSX Corp	4			●
CTS Eventim AG & Co KGaA	3			●
Daikin Industries Ltd	2	●		
	4	●		
Danaher Corp	1	●	●	●
	3	●	●	
Darling Ingredients Inc	4	●	●	●
DCC PLC	1			●
	3			●
Dechra Pharmaceuticals PLC	3		●	
Deliveroo PLC	1			●
	1			●
	2			●
Derwent London PLC	2			●
Descartes Systems Group Inc/The	4			●
Devon Energy Corp	4	●		●
Digital Realty Trust Inc	4	●	●	
	4	●	●	
Dime Community Bancshares Inc	2			●
	4			●
Dollar General Corp	4	●	●	
	4		●	●
Dominion Energy Inc	2	●		●
	4	●		
Domino's Pizza Enterprises Ltd	4		●	●
DoorDash Inc	1	●	●	
Douglas Emmett Inc	2			●
	4			●
Dover Corp	4	●	●	

The specific securities identified and described are for informational purposes only and do not represent securities purchased, sold or recommended by T. Rowe Price. No assumption should be made that the securities identified were or will be profitable.

Company Name	Quarter	E	S	G
Downer EDI Ltd	4		●	●
	4			●
	4			●
Drax Group PLC	1	●		
DTE Energy Co	4	●		●
EastGroup Properties Inc	4	●	●	
eBay Inc	4	●	●	
Edenred	1			●
Elanco Animal Health Inc	3		●	
	4	●	●	●
Element Solutions Inc	2			●
Elevance Health Inc	4	●	●	●
Eli Lilly & Co	4	●	●	●
Emirates NBD Bank PJSC	1		●	
Empresa Nacional de Telecomunicaciones SA	3			●
Endava PLC	4			●
Enel SpA	4	●		
	1	●		●
EOG Resources Inc	4	●	●	
Equifax Inc	4	●	●	●
Equinor ASA	1	●		
Equitable Holdings Inc	4	●	●	●
Ermenegildo Zegna NV	1	●	●	●
	3	●	●	
Erste Group Bank AG	1	●		
Essex Property Trust Inc	2			●
	2	●		
	4	●	●	
EssilorLuxottica SA	2			●
	4		●	●
Estee Lauder Cos Inc/The	2	●	●	
Etsy Inc	4	●		
Eurofins Scientific SE	2	●		●
Euronet Worldwide Inc	2			●
Evotec SE	1			●
	2			●
Exact Sciences Corp	1			●
	4		●	●
Exelixis Inc	4	●	●	●
Exxon Mobil Corp	1	●		●
	1		●	●
	2	●		●
	4	●		●
Faurecia SE	2			●
Federal Farm Credit Banks Funding Corp	4	●		
FedEx Corp	3	●		
	4			●
Fifth Third Bancorp	4	●	●	●
Figs Inc	1	●	●	●
Fine Organic Industries Ltd	3			●
FinecoBank Banca Fineco SpA	1		●	●
First Abu Dhabi Bank PJSC	2	●		
FirstEnergy Corp	4	●	●	●
FirstRand Ltd	2	●		
	3			●
	4	●		●
Fiserv Inc	2			●
	4			●
Floor & Decor Holdings Inc	4	●		●
Flowers Foods Inc	2		●	
Freeport-McMoRan Inc	2			●
Fresenius SE & Co KGaA	4	●	●	●
Freshpet Inc	4	●	●	●
FTI Consulting Inc	1		●	●

Company Name	Quarter	E	S	G
Fujitec Co Ltd	1			●
	2		●	●
Funding Circle Holdings PLC	1	●		●
Galapagos NV	2			●
	2	●	●	
Galp Energia SGPS SA	4	●		
Gecina SA	4	●	●	
General Electric Co	2			●
	4			●
Genmab A/S	4		●	●
Genus PLC	1			●
Givaudan SA	3	●	●	
Global Blood Therapeutics Inc	2			●
Global Payments Inc	2			●
Goldman Sachs Group Inc/The	1			●
Goodman Group	3	●		●
	4			●
Great Portland Estates PLC	1	●	●	●
Green Dot Corp	1			●
Greenko Energy Holdings	3	●	●	
Grieg Seafood ASA	2	●	●	
Grupo Financiero Banorte SAB de CV	1			●
	3	●	●	●
GSK PLC	1		●	
	4		●	
	4			●
Guangdong Kinlong Hardware Products Co Ltd	2			●
Guardant Health Inc	2			●
	4		●	●
Halliburton Co	2			●
	3			●
Hamamatsu Photonics KK	4			●
Hartford Financial Services Group Inc/The	2	●		
	4	●		●
HCA Healthcare Inc	2		●	
HDFC Bank Ltd	2	●	●	
Health & Happiness H&H International Holdings Ltd	3	●		
Henkel AG & Co KGaA	4	●		
Hichain Logistics Co Ltd	2			●
Hikari Tsushin Inc	4		●	
Hilton Worldwide Holdings Inc	2			●
Hino Motors Ltd	1		●	
Holcim AG	4	●	●	
Hologic Inc	4		●	●
Hon Hai Precision Industry Co Ltd	4		●	
Honeywell International Inc	2	●	●	●
	3	●		●
Hongfa Technology Co Ltd	2			●
Hoshizaki Corp	4	●		●
Host Hotels & Resorts Inc	4	●		●
Howmet Aerospace Inc	2			●
HSBC Holdings PLC	1	●		
	2			●
	4	●	●	
HubSpot Inc	4	●	●	●
Humana Inc	3	●		●
Huntington Bancshares Inc/OH	4	●	●	●
Hypoport SE	2			●
Hyundai Mobis Co Ltd	3			●
	4	●	●	
Hyundai Motor Co	4		●	
	4	●	●	●
Iberdrola SA	2	●	●	●
	4	●		

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Company Name	Quarter	E	S	G
Iceland Foods Ltd	2		●	●
IDEX Corp	4	●		
Imperial Brands PLC	3			●
Imperial Oil Ltd	4	●		
Incyte Corp	4	●	●	●
Indofood CBP Sukses Makmur Tbk PT	2	●	●	
Info Edge India Ltd	2			●
Informa PLC	1			●
	2			●
Infosys Ltd	2			●
Ingersoll Rand Inc	3	●		●
	3	●		●
Inner Mongolia Yili Industrial Group Co Ltd	4	●	●	
Insmed Inc	2			●
Insulet Corp	2			●
	4	●	●	●
Intelbras SA Industria de Telecomunicacao Eletronica Brasileira	1	●	●	
InterContinental Hotels Group PLC	2			●
Intermediate Capital Group PLC	1			●
	1	●		
	3			●
International Container Terminal Services Inc	3	●	●	●
International Paper Co	1			●
Intesa Sanpaolo SpA	1	●		
Intuit Inc	4	●	●	
Invesco Ltd	4		●	●
Investec PLC	3	●		●
Isuzu Motors Ltd	4	●	●	
Itau Unibanco Holding SA	3	●	●	
J Sainsbury PLC	2		●	●
Jackson Financial Inc	4	●		●
Japan Tobacco Inc	4	●	●	
Jardine Matheson Holdings Ltd	4	●		●
Jason Furniture Hangzhou Co Ltd	2			●
JBG SMITH Properties	1	●		●
JBS SA	3	●	●	
JD Sports Fashion PLC	2			●
	4			●
Jetti Resources LLC	1	●		
Johnson & Johnson	4		●	●
JPMorgan Chase & Co	2	●		●
	4	●	●	●
Julius Baer Group Ltd	4			●
Karuna Therapeutics Inc	2			●
KBC Group NV	4	●	●	●
Kemper Corp	2			●
Kering SA	4	●	●	
Keyence Corp	3	●	●	
Keywords Studios PLC	2			●
Kimberly-Clark Corp	4	●	●	●
Kimco Realty Corp	4	●		
Kingspan Group PLC	2		●	●
KLA Corp	4	●		●
Klabin SA	1	●		
	3		●	●
Kohl's Corp	1			●
Kojamo Oyj	1			●
Koninklijke Ahold Delhaize NV	3	●		
Koninklijke DSM NV	1	●		
	3	●	●	
Koninklijke Philips NV	2		●	●
	2	●	●	
	4			●

Company Name	Quarter	E	S	G
Kotak Mahindra Bank Ltd	1	●	●	
KT Corp	1		●	
	4		●	●
Kyoritsu Maintenance Co Ltd	2			●
Las Vegas Sands Corp	4			●
Legrand SA	2			●
Leroy Seafood Group ASA	2	●	●	
Li Ning Co Ltd	2		●	
Linde AG	3			●
Linde PLC	1	●		
Lloyds Banking Group PLC	4			●
	4	●	●	●
Lonza Group AG	4	●	●	
Lululemon Athletica Inc	2			●
MACOM Technology Solutions Holdings Inc	4	●		●
Macquarie Group Ltd	3			●
Magazine Luiza SA	2	●	●	
Marel HF	1			●
MarketAxess Holdings Inc	3	●	●	●
Marks & Spencer Group PLC	2		●	●
Marriott International Inc/MD	2		●	●
Marsh & McLennan Cos Inc	4	●		●
Mattel Inc	4	●	●	●
Mayr Melnhof Karton AG	2			●
McDonald's Corp	2	●	●	●
Meituan	2	●	●	●
MercadoLibre Inc	2	●	●	
	4	●		
Merck & Co Inc	2		●	●
	3		●	
	4	●	●	●
Meta Platforms Inc	2		●	●
	4		●	
	4		●	●
MetLife Inc	4	●	●	●
Microsoft Corp	3		●	●
Middleby Corp/The	1	●		●
Mitsubishi Corp	1	●	●	●
	2	●		
Mitsubishi Electric Corp	1		●	●
	2		●	●
	4		●	●
Mitsubishi UFJ Financial Group Inc	2	●		
	3			●
	4			●
Miura Co Ltd	1	●		
Moderna Inc	2		●	●
	2	●	●	
	4		●	●
Molten Ventures PLC	3			●
Mondelez International Inc	2		●	●
	4	●	●	●
MongoDB Inc	4	●		●
Montana Aerospace AG	4			●
Morgan Stanley	3	●	●	●
MorphoSys AG	1			●
Motorola Solutions Inc	4		●	
Mowi ASA	2	●	●	
MSCI Inc	4		●	●
Munich RE	4			●
MYT Netherlands Parent BV	4			●
Nasdaq Inc	1	●		
National Australia Bank Ltd	4		●	●
	4	●	●	

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Company Name	Quarter	E	S	G
National Express Group PLC	1			●
National Fuel Gas Co	4	●		●
National Instruments Corp	4		●	●
Natura Cosmeticos SA	1	●	●	
NatWest Group PLC	4	●		
NAVER Corp	4		●	
Nestle SA	3	●	●	
	4		●	
NET One Systems Co Ltd	1		●	●
Neurocrine Biosciences Inc	2			●
Nevro Corp	4			●
News Corp	4			●
Next PLC	2	●	●	●
	4			●
NextEra Energy Inc	2		●	
	4	●	●	●
Ninety One PLC	1			●
	3	●		●
Nintendo Co Ltd	4	●	●	
NiSource Inc	4	●		●
NN Group NV	1		●	
Northern Star Resources Ltd	4			●
Northrop Grumman Corp	2		●	●
Novartis AG	2		●	
	4			●
	4	●	●	●
Novo Nordisk A/S	2	●	●	
Novocure Ltd	4	●	●	●
NVIDIA Corp	4	●	●	
NXP Semiconductors NV	3	●		
	3	●	●	●
Ocado Group PLC	2	●		
	2		●	●
Occidental Petroleum Corp	2	●		●
Ocean's King Lighting Science & Technology Co Ltd	2			●
Olaplex Holdings Inc	3			●
Olympus Corp	1	●	●	●
OneMain Holdings Inc	1		●	
	1	●		
oOh!media Ltd	2			●
Oppein Home Group Inc	2			●
Oxford Nanopore Technologies PLC	1		●	
	2	●	●	
Pacific Biosciences of California Inc	2			●
Palomar Holdings Inc	3			●
Paycom Software Inc	2			●
PayPal Holdings Inc	4	●	●	
Pebblebrook Hotel Trust	2			●
	4	●	●	
	4			●
PepsiCo Inc	2	●	●	●
PerkinElmer Inc	3	●	●	
Persimmon PLC	1			●
	3			●
Persol Holdings Co Ltd	1			●
Pertamina Persero PT	4		●	
Petronet LNG Ltd	3			●
Pfizer Inc	1		●	●
	2		●	●
	4	●	●	●
PG&E Corp	1	●	●	●
Philip Morris International Inc	2		●	●
Phillips 66	2	●		
Playtech Plc	1			●

Company Name	Quarter	E	S	G
PolyPeptide Group AG	4			●
POSCO Holdings Inc	3	●	●	
Post Holdings Inc	1		●	
PRADA SpA	2	●	●	●
Prologis Inc	1	●		
	2	●	●	
Prosus NV	2			●
	3			●
Prothena Corp PLC	2		●	●
	4			●
	4	●	●	
Prudential PLC	4	●	●	
Prysmian SpA	1	●	●	●
	4	●	●	●
	4	●	●	
PTC Therapeutics Inc	2			●
PTT Exploration & Production PCL	1	●		
QT Group Oyj	1			●
QUALCOMM Inc	1			●
	4		●	●
Quest Diagnostics Inc	4	●	●	●
Ralph Lauren Corp	4		●	●
Rayonier Inc	1	●		●
	1	●	●	
Recruit Holdings Co Ltd	4	●	●	●
Regeneron Pharmaceuticals Inc	2			●
	4	●	●	
Relay Therapeutics Inc	1	●	●	●
	1	●	●	
Rentokil Initial PLC	2			●
Repligen Corp	1	●		●
Republic Services Inc	2	●	●	●
	4	●	●	●
Rheinmetall AG	1		●	
Rio Tinto PLC	2		●	
Roche Holding AG	1	●	●	
ROCKWOOL A/S	3			●
Rolls-Royce Holdings PLC	3			●
Roper Technologies Inc	1	●		
	3	●	●	
Royal Bank of Canada	1	●		
RWS Holdings PLC	1	●	●	●
Sage Therapeutics Inc	1			●
	3			●
Salesforce Inc	1	●	●	
Salmar ASA	2	●	●	
Samsung Electronics Co Ltd	1	●	●	●
	3			●
	4	●		●
Sanofi	1		●	●
	4		●	
Sartorius AG	4	●	●	
Saudi Tadawul Group Holding Co	1	●	●	
SBA Communications Corp	4	●	●	●
Scentre Group	1		●	●
Scout24 SE	1			●
Sea Ltd	4			●
SEACOR Marine Holdings Inc	1	●	●	●
Seagen Inc	4			●
Sealed Air Corp	4	●		●
Select Medical Holdings Corp	2			●
Sempra Energy	1	●	●	●
	2	●		●
	4	●		●

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Company Name	Quarter	E	S	G
ServiceNow Inc	1	●	●	
	2			●
	4			●
Seven & i Holdings Co Ltd	1			●
Shandong Sinocera Functional Material Co Ltd	1	●		●
Shimadzu Corp	4			●
Shop Apotheke Europe NV	1			●
	4	●		●
Shopify Inc	2			●
Shoprite Holdings Ltd	4	●	●	
Siemens AG	4	●		●
Signature Bank/New York NY	2			●
Sika AG	3	●		
Silergy Corp	3	●	●	
SiteOne Landscape Supply Inc	4	●	●	
Skyworks Solutions Inc	1			●
SL Green Realty Corp	2			●
Sompo Holdings Inc	1	●	●	
South32 Ltd	2	●	●	
	4	●		
	4	●	●	●
Spirit AeroSystems Holdings Inc	4	●	●	●
Splunk Inc	1			●
Spotify Technology SA	2		●	
Sprouts Farmers Market Inc	4	●	●	
Square Pharmaceuticals Ltd	2			●
Standard Chartered PLC	2	●		
	2			●
	4	●		
Stanley Black & Decker Inc	4	●	●	●
State Street Corp	4		●	●
Steadfast Group Ltd	4			●
Stericycle Inc	2	●		●
Stora Enso Oyj	1	●		
Stryker Corp	2	●	●	
Sumitomo Corp	1	●		
Sumitomo Mitsui Trust Holdings Inc	1	●		●
Sungrow Power Supply Co Ltd	2			●
Suzano SA	1	●		
Suzuki Motor Corp	1	●	●	●
Swedbank AB	4	●		
Swiss Re AG	1	●		
Sysco Corp	3	●	●	●
Takeda Pharmaceutical Co Ltd	2			●
	4		●	
Targa Resources Corp	4	●	●	●
Tassal Group Ltd	2	●	●	
Taylor Wimpey PLC	4	●	●	
TE Connectivity Ltd	2	●		
Teledyne Technologies Inc	2			●
Telefonaktiebolaget LM Ericsson	1		●	●
	4	●		
Telefonica Deutschland Holding AG	1	●	●	●
Teleperformance	1			●
	4		●	
	4	●	●	
Tencent Holdings Ltd	1	●	●	
	1	●	●	●
	4	●	●	
Terna - Rete Elettrica Nazionale	1	●		●
Terreno Realty Corp	1	●	●	●
Tesla Inc	1	●	●	
	3	●	●	●
Texas Instruments Inc	4	●		●

Company Name	Quarter	E	S	G
Textron Inc	4	●		●
Thales SA	1			●
Thermo Fisher Scientific Inc	3	●	●	
	4	●	●	●
THG PLC	1			●
	2			●
TJX Cos Inc/The	2		●	●
	4			●
Toast Inc	4	●	●	●
Together Financial Services Ltd	1	●	●	
Tosoh Corp	1	●	●	●
Toyota Motor Corp	1	●		
	3			●
	4	●		●
Tradeweb Markets Inc	4	●	●	●
	4			●
Trainline PLC	1			●
	1			●
	2			●
	3			●
Transaction Capital Ltd	1			●
Travelers Cos Inc/The	2	●	●	
Treasury Wine Estates Ltd	2			●
	3			●
Trex Co Inc	2			●
TRG Pakistan	1			●
	1			●
	4		●	
Turkiye Sise ve Cam Fabrikalari AS	1	●	●	
Tyson Foods Inc	4	●	●	●
Uber Technologies Inc	4	●	●	
UBS Group AG	4	●		
Ultragenyx Pharmaceutical Inc	1	●	●	●
UniCredit SpA	1	●		
Unilever PLC	1			●
	2			●
	2			●
	2	●		
	4		●	
United Parcel Service Inc	1	●	●	●
UnitedHealth Group Inc	2		●	●
	4	●	●	
Universal Music Group NV	2			●
Universal Robina Corp	2	●	●	●
	3	●	●	
US Bancorp	2	●	●	
Valeo	2			●
Valmet Oyj	1			●
Verallia SA	1			●
	2			●
	4			●
Verisk Analytics Inc	4	●		●
Vertex Pharmaceuticals Inc	4	●	●	
Victoria Gold Corp	2			●
Virtus Investment Partners Inc	1		●	●
	2			●
Visa Inc	3	●	●	●
Vistra Corp	1	●		●
Vodafone Group PLC	1			●
Volkswagen AG	4		●	
Vulcan Materials Co	1	●		
Walmart Inc	1	●	●	●
	3	●		
	4	●	●	
Walt Disney Co/The	4	●	●	●

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Company Name	Quarter	E	S	G
Warom Technology Inc Co	2			●
Weir Group PLC/The	2			●
Wells Fargo & Co	2	●	●	●
	4	●	●	
Welltower Inc	1	●	●	
Western Digital Corp	4			●
Westrock Co	4	●		●
Weyerhaeuser Co	4	●	●	
Wise PLC	4		●	●
Wizz Air Holdings Plc	4			●
Worley Ltd	1	●		●
	2			●
	4		●	●
WPP PLC	2			●
	4			●
Wuxi Biologics Cayman Inc	2			●
Wynn Resorts Ltd	2			●
	3			●
	4			●
Xencor Inc	4			●
Xero Ltd	3			●
Xylem Inc/NY	2	●		
Yangzijiang Shipbuilding Holdings Ltd	1	●	●	●
Yifeng Pharmacy Chain Co Ltd	2			●
	3			●
	3			●
Yixintang Pharmaceutical Group Co Ltd	2			●
	4			●
YouGov PLC	4			●
Yum China Holdings Inc	3			●
	4	●	●	
Yum! Brands Inc	2			●
Zalando SE	1		●	●
Zealand Pharma A/S	1			●
Zhejiang Shuanghuan Driveline Co Ltd	2			●
Zhongji Innolight Co Ltd	2			●
Zimmer Biomet Holdings Inc	2			●
	4		●	●
Zoetis Inc	3		●	
	3	●	●	
Zomato Ltd	4		●	
Zurich Insurance Group AG	1	●	●	
	4	●		

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T. Rowe Price Investment Management, Inc.

Company Name	Quarter	E	S	G
Altus Group Ltd/Canada	2			●
Aris Water Solutions Inc	4	●		
Array Technologies Inc	3	●	●	●
Assurant Inc	2	●	●	●
	4	●	●	●
Atrion Corp	2			●
Axis Capital Holdings Ltd	2	●		●
	4	●	●	●
AZZ Inc	4	●	●	●
Bath & Body Works Inc	2	●	●	●
BroadStreet Partners Inc	3		●	●
Cable One Inc	2			●
Cboe Global Markets Inc	4	●	●	●
Cheniere Energy Inc	4	●	●	●
Chesapeake Utilities Corp	4			●
Corning Inc	4	●	●	●
CSW Industrials Inc	3			●
Darling Ingredients Inc	4	●	●	●
Deckers Outdoor Corp	1	●	●	●
Devon Energy Corp	4	●	●	●
Diamondback Energy Inc	4	●	●	●
Dime Community Bancshares Inc	4	●	●	●
Element Solutions Inc	2	●	●	●
Equifax Inc	2	●		●
	4	●	●	●
Essential Utilities Inc	3	●	●	
FB Financial Corp	2			●
FleetCor Technologies Inc	2			●
Fortive Corp	4	●	●	●
General Electric Co	2	●	●	●
Henry Schein Inc	4	●	●	●
Hexcel Corp	4	●		●
Hilton Worldwide Holdings Inc	2	●	●	●
Home BancShares Inc/AR	3	●	●	●
Howard Energy Partners	2	●	●	
Huron Consulting Group Inc	4			●
IDACORP Inc	3	●	●	●
Insmed Inc	4			●
JB Hunt Transport Services Inc	1	●	●	
JBG SMITH Properties	2			●
John Bean Technologies Corp	4	●		●
LL Flooring Holdings Inc	3	●	●	●
Marriott Vacations Worldwide Corp	4			●
Meritage Homes Corp	4	●	●	●
MGE Energy Inc	4	●	●	●
MGM Resorts International	4	●	●	●
ModivCare Inc	4			●
MSCI Inc	4	●	●	●
NexTier Oilfield Solutions Inc	3	●	●	●
Olaplex Holdings Inc	3	●		●
Papa John's International Inc	1		●	
Paycom Software Inc	4			●
Permian Resources Corp	3			●
Perrigo Co PLC	4	●		●
Popular Inc	4	●	●	●
Prothena Corp PLC	4			●
Provident Bancorp Inc	2			●
Public Service Enterprise Group Inc	1	●		●
RBC Bearings Inc	3	●		●
Reata Pharmaceuticals Inc	2			●
Rent the Runway Inc	4	●	●	●
Reynolds Consumer Products Inc	4	●	●	●
Roper Technologies Inc	4	●	●	
RPM International Inc	3			●
Seagen Inc	2			●
Sealed Air Corp	4	●		●
SI Group	1	●	●	●
Signature Bank/New York NY	2			●
	3	●	●	●
Skyworks Solutions Inc	2			●
Southwest Gas Holdings Inc	2			●
Stericycle Inc	4		●	●
Tallgrass Energy Partners LP	1	●		
Teledyne Technologies Inc	2			●
Telesat Corp	1		●	●
Tempur Sealy International Inc	3		●	●
Tetra Tech Inc	4		●	●
Texas Capital Bancshares Inc	4		●	●
Texas Instruments Inc	4	●	●	
Textron Inc	4	●	●	●
Toast Inc	4	●	●	●
Tradeweb Markets Inc	3	●	●	●
TreeHouse Foods Inc	4	●	●	●
Triton Water Holdings Inc	2	●	●	
Tutor Perini Corp	3			●
United Rentals Inc	3	●		●
UnitedHealth Group Inc	2		●	●
Upwork Inc	2			●
	4	●	●	●
USA Compression Partners LP	1	●	●	
Utz Brands Inc	2	●	●	●
Weatherford International PLC	3	●		●
Wellness Pet Food Holdings Co Inc/The	3	●	●	●
Xencor Inc	4		●	●
Yum! Brands Inc	2			●
Zurn Elkay Water Solutions Corp	4	●		●

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Important Information

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