



AUSTRALIAN UNIT TRUST

# T. Rowe Price Global Equity Fund – Proxy Voting Summary

6 months ending 30 June 2023

## PROXY VOTING PROGRAM OVERVIEW

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

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

T. Rowe Price portfolio managers are ultimately responsible for the voting decisions within the strategies they manage. They receive recommendations and support from a range of internal and external resources:

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

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

## SUMMARY OF MAJOR PROPOSAL ITEMS

The following table breaks down voting records into categories. Some categories, such as the election of directors, are universal across the markets where we invest. Other voting issues are unique to select regions. For management-sponsored proposals, a vote "FOR" is a vote aligned with the board's recommendation. For shareholder-sponsored proposals, a vote "FOR" is generally a vote contrary to the board's recommendation.

**For Investment Professionals only. Not for further distribution.**

<b>Proposals Sponsored by Company Management (Number of Proposals)</b>		
	<b>% Voted w/Mgmt</b>	<b>% Voted Against Mgmt</b>
Add/Amend anti-takeover provisions (0)	0%	0%
Reduce/repeal anti-takeover provisions (1)	100%	0%
Appoint or ratify auditors (143)	100%	0%
Capital structure provisions (156)	92%	8%
Compensation - All types (246)	93%	7%
Director and auditor compensation (55)	96%	4%
Employee stock purchase plans (15)	93%	7%
Other equity compensation plans (47)	85%	15%
Executive compensation: Say on Pay (129)	95%	5%
Election of Directors, uncontested (1,120)	95%	5%
Election of Directors, contested (0)	0%	0%
Amend/adopt shareholder rights (4)	100%	0%
Mergers, acquisitions and reorganizations (20)	100%	0%
Routine/procedural proposals (205)	95%	5%
<b>Proposals Sponsored by Shareholders (Number of Proposals)</b>		
	<b>% Voted w/Mgmt</b>	<b>% Voted Against Mgmt</b>
Remove anti-takeover provisions (2)	100%	0%
Compensation-related proposals (7)	100%	0%
Separate Chair and CEO roles (14)	100%	0%
Amend/adopt shareholder rights (7)	100%	0%
Social/environmental proposals - All types (51)	100%	0%
Social proposals (25)	100%	0%
Disclose political/lobbying activity (7)	100%	0%
Environmental proposals (12)	100%	0%
<b>All Proposals (Number of Proposals)</b>		
	<b>% Voted w/Mgmt</b>	<b>% Voted Against Mgmt</b>
<b>Total Management Proposals (1,895)</b>	<b>95%</b>	<b>5%</b>
<b>Total Shareholder Proposals (81)</b>	<b>100%</b>	<b>0%</b>
<b>Total Proposals (1,976)</b>	<b>95%</b>	<b>5%</b>

## SIGNIFICANT VOTES

The definition of a significant vote can vary across the investment industry. At T. Rowe Price, meetings may be tagged as significant where the situation is particularly contentious, or the vote illustrates a key aspect of our voting approach. Detailed below is the summary of a resolution, how we voted, and our rationale for that voting decision. T. Rowe Price portfolio managers decide how to vote on the proxy proposals of companies in their portfolios and, as a result, may not all vote the same.

This case study describes proxy voting being carried out on behalf of the fund. This material is for informational purposes only and is not intended as an offer or recommendation concerning investments, investment strategies, products, and account types.

CASE STUDY: BP – Agenda item number 25	
Summary of the resolution(s)	Agenda item number 25: Approve Shareholder Resolution on Climate Change Targets
Country	United Kingdom
Company description	BP is an integrated oil company
Date of vote	April 27, 2023
Meeting type	Annual
Proponent	Shareholder
How we voted	Agenda item number 25: Against
Rationale for the voting decision(s)	<p>As in recent years, shareholder consortium “Follow This” has presented a shareholder-requisitioned resolution under item 25. The “Follow This” shareholder resolution requests the company to align its existing 2030 reduction aims covering the greenhouse gas (GHG) emissions of the use of its energy products (scope 3)<sup>1</sup> with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5C°. The strategy for how to achieve these aims is entirely up to the board; however, it is interpreted that the company would need to set an absolute<sup>2</sup> 2030 GHG emissions reduction target which includes the use of its energy products (scope 3).</p> <p>We believe that our view on intensity-based versus absolute emission reduction targets differs from the proponents. For funds where the mandate is financial performance, an intensity-based scope 3 target can provide evidence for a credible decarbonisation strategy, provided the targets are suitably ambitious with a clear plan to achieve them. As shareholders, tracking year-on-year changes in its reported intensity metrics demonstrates how BP is pivoting its portfolio towards lower carbon products.</p>

<sup>1</sup> 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).

<sup>2</sup> Absolute targets refer to the total amount of emissions being emitted while intensity targets set out emissions relative to some sort of economic output such as revenue.

**RISKS - The following risks are materially relevant to the fund (refer to prospectus for further details):**

**Volatility** - The performance of the fund has a risk of high volatility.

**General fund risks - to be read in conjunction with the fund specific risks above. Equity** - Equities can lose value rapidly for a variety of reasons and can remain at low prices indefinitely. **Geographic concentration** - Geographic concentration risk may result in performance being more strongly affected by any social, political, economic, environmental or market conditions affecting those countries or regions in which the fund's assets are concentrated. **Hedging** - Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely. **Investment fund** - Investing in funds involves certain risks an investor would not face if investing in markets directly. **Management** - Management risk may result in potential conflicts of interest relating to the obligations of the investment manager. **Market** - Market risk may subject the fund to experience losses caused by unexpected changes in a wide variety of factors. **Operational** - Operational risk may cause losses as a result of incidents caused by people, systems, and/or processes.

**IMPORTANT INFORMATION**

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A Target Market Determination for each T. Rowe Price Australian Unit Trust (or class of units in a Trust) is available here ([www.eqt.com.au/insto](http://www.eqt.com.au/insto)). It describes who the financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where Equity Trustees Limited, the responsible entity of the T. Rowe Price Australian Unit Trusts may need to review the Target Market Determination for the financial product.

**Past performance is not a reliable indicator of future performance.** The price of any fund may go up or down. Investment involves risk including a possible loss to the principal amount invested. For general information purposes only, does not take into account the investment objectives, financial situation or needs of any particular investor. For further details, please refer to each fund's product disclosure statement and reference guide which are available from Equity Trustees ([www.eqt.com.au/insto](http://www.eqt.com.au/insto)) or TRPAU ([www.troweprice.com.au](http://www.troweprice.com.au))/([www.troweprice.nz](http://www.troweprice.nz)).

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