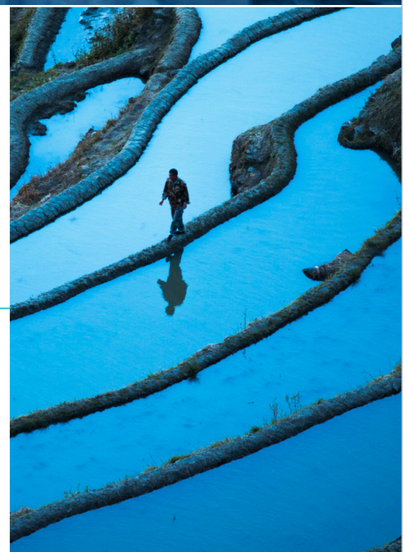
ENVIRONMENTAL sustainability

We understand the urgency to address climate change and will do our part by making ourselves accountable for meeting sustainability targets.



AN UPDATE ON OUR ENVIRONMENTAL PROGRESS

climate action can't wait

Quite simply, T. Rowe Price is in the business of planning for the future. Our policy has always been to look out for our clients' interests over the long run.

Ignoring the realities of climate change endangers that future. If left unchecked, it will severely disrupt the world economic system. We are committed to tackling the challenge of climate change in a way that balances business needs with the urgency for action. This means managing TRPG's environmental footprint as well as incorporating climate considerations into our investment analysis—for the purpose of safeguarding our clients' investments.

OUR PERFORMANCE SO FAR

Our original plan was to reduce greenhouse gas (GHG) emissions by 13% by 2025 and landfill waste by 92%. We are pleased to announce that we surpassed both goals in 2019, six years ahead of schedule.

We have increased recycling by 76% since 2010 and composting by 105% since 2014. And our energy recovery rate has increased by 724%.

Between 2010 and 2019, we reduced greenhouse gas emissions by 14.1%, even as our associate population rose by 70.6%. That's a 49.9% decrease in greenhouse gasses per associate. For the same period, we reduced landfill waste by 93%.

Some highlights of the GHG analysis include a drop in electric consumption in 2019 versus 2018:

- **5%** at our Owings Mills campus
- **3%** at our Colorado Springs campus
- **13%** in aggregate

In addition, our international facilities have decreased their use of fuel oil by 22%. At the same time, our Owings Mills solar panels generated 2.62 million kilowatt-hours of electric power. That is the equivalent of taking 400 passenger vehicles off the road for a year or the energy used by 214 homes for a year or the amount of CO_2 stored by 30,595 tree seedlings over 10 years.

AN UPDATE ON OUR ENVIRONMENTAL PROGRESS
continued...

SCOPE OF GHG EMISSIONS | 2008–2019

scope	2008[2]	2009[3]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	percent change 2018-19	percent change 2008-19
Natural gas (therms)	168,804	76,068	7,928	71,601	43,628	64,545	75,502	66,373	74,143	61,587	62,882	63,607	1.2%	-62.3%
Fuel oil/diesel (gallons)	13,696	7,572	7,869	11,130	11,336	10,756	10,231	12,023	7,882	10,815	13,538	10,618	-21.6%	-22.5%
Electricity (kWh)	58,337,471	54,248,162	62,915,137	64,044,496	61,320,141	62,977,704	66,254,569	70,071,566	69,053,476	67,099,684	71,147,670	61,554,139	-13.5%	5.5%
Air miles traveled (miles)	NA	NA	NA	NA	25,297,640	29,948,564	31,937,452	37,012,226	37,906,085	42,843,263	39,470,253	43,832,701	11.0%	73.0% (from 2012)
Scope 1 GHG (MT CO2e)[1]	1,578	948	1,190	796	623	823	799	928	1,050	1,259	2,162	1,867	-13.6%	18.3%
Scope 2 GHG (MT CO2e)	33,795	31,818	37,207	37,012	32,350	34,232	35,845	36,650	34,065	28,877	28,607	24,999	-12.6%	-26%
Scope 3 GHG (MT CO2e)	NA	3,273	4,775	5,823	4,581	5,403	5,361	5,941	6,410	6,699	8,357	10,204	22.1%	211.8%

RESULTS OF WASTE MANAGEMENT, RECOVERY, AND RECYCLING PROGRAMS | 2010-2019

waste management	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	percent change 2018-19	percent change 2010-19
landfill waste (tons)	597	580	558	462	306	121	61	56	59	39	-34%	-93%
recycling (tons)	344	337	508	575	594	521	465	572	573	617	6%	76%
composting (tons)	NA	NA	NA	NA	21	21	16	23	50	43	-15%	NA
energy recovery (tons)	64	53	68	53	111	359	363	313	332	537	59%	724%

OUR GOALS

In our 2018 Corporate Responsibility Report, we communicated that if we reached our greenhouse gas emission and waste targets in advance of 2025, we would revise our goals upward.

However, with a significant percentage of our workforce presently working from home and an uncertain time frame to return to the office, the COVID-19 pandemic has constrained our ability to revisit our emission and waste reduction targets. Moreover, we have undertaken a firmwide assessment of future flexibility and remote work.

The outcomes of this initiative will also influence our emissions reduction trajectory. We will evaluate these questions and will communicate our new targets.

[1] Scope definitions: Scope 1 emissions are the result of GHGs emitted on T. Rowe Price sites, either from directly burning fossil fuels in the buildings or on-site vehicles or from chemicals used in the buildings' ventilation and air conditioning equipment. Scope 2 emissions are the result of the energy that T. Rowe Price purchases but is generated elsewhere, such as electricity. Scope 3 emissions are indirect emissions from sources that are not owned or controlled by T. Rowe Price but are related to business activities, such as employee travel.

[2] Scope 3 emissions were not estimated in 2008, so wherever Scope 3 emissions are included in these metrics, the percentage represents the difference between 2009 and the current year.

[3] Increases in Scope 3 emissions between 2009 and 2019 are primarily the result of methodology improvements in 2018 and 2019 inventories.

FINAL VERIFICATION STATEMENT

Reporting Entity: T. Rowe Price
Contact: William Sell
Lead Verifier: Kevin L. Johnson, Cventure LLC

EMISSIONS INVENTORY

Global, corporate-wide FY2019 (January 1, 2019–December 31, 2019) GHG emissions inventory: Scope 1 direct emissions from fuel combustion, mobile sources, and refrigerant losses; Scope 2 emissions from imported electricity and steam; and Scope 3 emissions associated with employee business travel and waste. Boundaries include owned/leased facilities over which T. Rowe Price maintains operational control. CO2, CH4, and N2O direct combustion, electricity consumption, and mobile source combustion emissions, and HFC/HCFC refrigerant gas and waste CO2 equivalent emissions, were calculated; T. Rowe Price has no SF6, PFC, or NF3 emissions.

GREENHOUSE GAS MANAGEMENT PLAN

T. Rowe Price 2019 GHG emissions inventory and methodology were developed by ICF International, according to ICF's 2019 Corporate GHG Inventory Excel workbook tool. Raw data collection activities for boundary determinations and GHG emissions sources' characteristic and activity data were performed by T. Rowe Price and Jones Lang LaSalle. T. Rowe Price's GHG inventory was developed according to generally accepted GHG accounting standards: The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, Revised Edition, WRI/WBCSD, March 2004.

VERIFICATION APPROACH

Tier II of the ERT Standard: "Corporate GHG Verification Guideline" by ERT, a CDP-approved verification standard. Tier II-level verification is appropriate for basic voluntary reporting purposes, including stakeholder reporting and other external communications. This verification effort covered T. Rowe Price's FY2019 GHG emissions inventory. Cventure was not involved in any GHG emissions-related data collection, management or reporting, nor the development of associated emissions or usage estimates and assertions made by T. Rowe Price. Cventure has not provided any services to T. Rowe Price which could compromise Cventure's independence. Cventure disclaims any liability for any decision made by third parties based on this verification statement.

The Tier II review was designed to provide a limited level of assurance that the GHG emissions assertion is materially correct. Reviews of methodologies, calculations, and data management used in T. Rowe Price's GHG inventory were conducted. All T. Rowe Price facilities and GHG emissions Scopes reported within the operational boundary determination were subject to the verification process. Seventeen (17) facilities were selected for detailed reviews and data sampling, representing >90% of T. Rowe Price's total building-related GHG emissions, with purchased electricity and natural gas monthly billing records being examined for each of them. Root audit data

records were also reviewed for travel agent-booked employee business air travel, and for waste management vendors. Error checking tests were performed on the data to assess the information collected, including missing data, limits and reasonableness, units of measure, and select re-computation cross-checks.

No material errors or omissions were identified by Cventure during this verification project. Several minor, immaterial discrepancies between root data documentation and the GHG inventory report were identified; these were corrected by T. Rowe Price/ICF at that time. Boundary checks included a review of the 2019 lease management reports. Emissions aggregation and select inventory spreadsheet calculation checks were also made, and compared against inventory reported data. No material errors or discrepancies were found in those types of verification review checks. We believe our work provides a sound basis for our verification conclusion.

CONCLUSION

This effort included sampling and testing of GHG emissions data and underlying root data and information, resulting in a limited level of assurance. Based on its verification review of T. Rowe Price's FY2019 GHG emissions inventory, Cventure has found no evidence that T. Rowe Price's GHG assertion is not presented fairly and accurately. Cventure found that the GHG inventory emissions estimates conform to generally accepted GHG accounting standards, and are generally consistent with the WRI/WBCSD GHG accounting and reporting protocol. GHG emissions estimates were calculated in a consistent, transparent manner, and found to be a fair and accurate representation of T. Rowe Price's actual conditions, and to be free from material misstatements or omissions. Cventure verified a total of 37,070 metric tons of CO2 equivalent emissions (1,867 Scope 1, 24,999 Scope 2, and 10,204 Scope 3), with a limited level of assurance.