



T. Rowe Price (Luxembourg) Management S.à r.l. Entity Level Disclosure

SUMMARY OF T. ROWE PRICE ENGAGEMENT POLICY

Engagement is defined as any interaction between T. Rowe Price and an issuer of corporate securities with the intent of learning about, influencing, or exchanging perspectives on the company's environmental practices, corporate governance, or social issues affecting the business. At T. Rowe Price, we believe it is our responsibility as an asset manager to safeguard our clients' interests through active ownership, monitoring, and mutual engagement with the issuers of the securities we hold in our clients' portfolios. Thanks to the trust our investment clients have placed in us, T. Rowe Price is a significant investor for many of the world's leading companies. This affords us, in most cases, access to company management teams and board members.

We believe our responsibilities as diligent investors do not cease with the decision to purchase a security. We maintain regular dialogue with the managements of issuers represented across our portfolios. Where we find areas of concern, we make those concerns known to them.

Engagement, proxy voting activities, and assessment of a broad range of investment considerations — including environmental, social, and governance (ESG) issues — are integrated into T. Rowe Price's investment processes. Based on our view that these issues are important investment considerations, our engagement program is driven by our investment professionals and usually focused on a matter material to the investment case. It 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.

WHAT ARE WE MONITORING?

Strategy

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, and corporate governance. The primary responsibilities of these analysts are monitoring our current investments and assessing potential future investments.

Financial and nonfinancial performance and risk

We employ primarily long-term-oriented, actively managed investment strategies. As such, active monitoring of and engagement with our investee companies are fundamental components of our investment processes. At T. Rowe Price, we strive to help our clients reach their long-term financial goals through a thoughtful, disciplined approach to managing investments. Consistent with that mission, we have an obligation to understand the long-term sustainability of a company's business model and the factors that could cause it to change. In this 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, and corporate governance.

Social and environmental impact and corporate governance

Our investment approach is rooted in proprietary fundamental analysis, with ESG factors assessed alongside financial, macro, and other qualitative factors. We believe ESG integration is most effective when executed by experienced investors who know the company or issuer well, which is why the responsibility for integrating ESG into investment decisions lies with our analysts and portfolio managers.

Our research analysts incorporate ESG factors into company valuations and ratings, while our portfolio managers balance the ESG factor exposures at a portfolio level. Our in-house ESG specialists support the investment team through all stages of the investment process: identification, analysis, and integration.

Our dedicated in-house ESG resource comprises two teams: Responsible Investing (RI), which covers environmental and social factors, and Governance. Together, these teams help our investors identify, analyze, and integrate the ESG factors most likely to have a material impact on the long-term performance of an investment.

T. Rowe Price publicly discloses how we have applied our Engagement Policy on an annual basis in our ESG Annual Report.

Information regarding our approach to due diligence with respect to principle adverse impacts (PAI) of investment decisions can be found [here](#).

List of memberships

Organization	Description	Status	Joined
Council of Institutional Investors (CII)	U.S. association of institutional investors, corporate issuers and asset managers	Associate Member	1989
Principles for Responsible Investment (PRI)	Global initiative for responsible investment	Signatory	2010
UK Stewardship Code	Public commitment to uphold stewardship principles for UK investors	Signatory	2010
Japan Stewardship Code	Public commitment to uphold stewardship principles for Japanese investors	Signatory	2014
Associação Investidores no Mercado de Capitais (AMEC)	Association for minority investors in Brazil	Member	2015
Asia Corporate Governance Association (ACGA)	Pan-Asian association for institutional investors	Member	2016
UK Investor Forum	Collaborative engagement association for investors in UK companies	Founding Member	2016
Investor Stewardship Group (ISG)	Investors advocating for core governance principles for U.S. market participants	Founding Member	2017
Japan Stewardship Initiative	Investor forum for stewardship solutions and sharing of best practices	Founding Member	2019
Investment Association Climate Change Working Group	Group to direct the work of the UK investment management industry trade body in relation to climate change	Member	2020
Institutional Investors Group on Climate Change (IIGCC)	European membership body for investor collaboration climate change	Member	2020
Emerging Markets Investors Alliance	Organization that facilitates investor advocacy to improve policies and practices of governments and companies in the emerging markets	Member	2020
Task Force on Climate-related Financial Disclosures (TCFD)	The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information.	Supporter	2020
Responsible Investment Association Australasia (RIAA)	Champions responsible investing and a sustainable financial system in Australia and New Zealand.	Member	2020
FAIRR	A collaborative investor network that raises awareness of the ESG risks and opportunities caused by intensive animal production.	Member	2020
Access to Medicine Index	A tool for driving change in the pharmaceutical industry, through the identification of best practice, tracking progress and highlighting where critical action is needed to improve access to medicine for vulnerable populations.	Signatory	2021

INVEST WITH CONFIDENCESM

T. Rowe Price focuses on delivering investment management excellence that investors can rely on — now and over the long term.

T.RowePrice[®]

Important Information

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action. The information contained herein is as of March 2021 and is subject to change without notice. This information is not intended to reflect a current or past recommendation, investment advice of any kind, or a solicitation of an offer to buy or sell any securities or investment services. The opinions and commentary provided do not take into account the investment objectives or financial situation of any particular investor or class of investor. Investors will need to consider their own circumstances before making an investment decision. Information contained herein is based upon sources we consider to be reliable; we do not, however, guarantee its accuracy.

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