



T. Rowe Price®
INVEST WITH CONFIDENCE

2016–2017 CORPORATE SOCIAL RESPONSIBILITY REPORT

Investing for Clients, Associates, and Communities

 T. Rowe Price





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Letter From THE CEO

Our commitment to clients is unwavering, and so is our desire to bring about positive change in our communities. On behalf of our nearly 6,900 associates worldwide, I am proud and excited to share with you the results of our Corporate Social Responsibility (CSR) program. Through this report, I hope you'll see that our CSR program reflects our values and is woven into our culture. In other words, CSR is not just an extension of our core business, but rather an integral part of the firm's ethos.

Over the past two years, as president and CEO, I have been inspired by our associates' long-term commitment to giving back to our communities. It speaks volumes about who we are and what we stand for. Our investment in responsible business practices benefits from the same discipline we bring to investing on behalf of clients. For example:

- > Our commitment to attracting and retaining a diverse workforce and empowering an inclusive culture is yielding results. We have seen an increase in diverse leadership at the firm as a result of our efforts to ensure that at least 30% of interviewees for senior roles are diverse.
- > The T. Rowe Price Foundation concluded a yearlong listening tour to understand the greatest needs of our hometown community of Baltimore. As a result, the Foundation is making a \$1.3 million grant over three years to strengthen West Baltimore and hosted a capacity building workshop series for nonprofits. This series was attended by 665 participants from more than 170 organizations in the past two years. It is just one example of how we worked to strengthen the nonprofits that support the community.
- > Continuing our founder's mission to educate investors, we remain committed to helping children build financial capabilities. In 2016, we reached 1.4 million people through our Money Confident Kids® program. We launched a teacher edition of the Star Banks Adventure® game, a free app and online experience designed to teach kids financial concepts while having fun. The teacher edition of the award-winning game, which has been downloaded 423,000 times since it launched in 2015, was created to strengthen its ability to serve as a classroom tool for teachers.
- > Our efforts to reduce our carbon footprint and find cost-effective methods to power our facilities led to the installation of 7,000 solar panels at our Owings Mills, Maryland, campus, and reduced our carbon

footprint by 3% in 2016. We expect continued progress in future years.

- > We hired Maria Elena Drew to serve in the newly created role of director of research, responsible investing. Based in London, she and her team of analysts will partner with Donna Anderson, head of corporate governance, to further strengthen the firm's research on environmental, social, and governance (ESG) considerations, which play a growing role in our portfolio managers' investment decisions.

Thank you for your interest in learning more about our CSR initiatives and activities. We remain committed to investing responsibly and to giving back to our communities—and collectively we are making a real difference.

Sincerely,

A handwritten signature in black ink that reads "William J. Stromberg".

William J. Stromberg
President and Chief Executive Officer

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Investing for **CLIENTS**



Putting Clients First

In 1937, Thomas Rowe Price, Jr., founded T. Rowe Price on the principle that, if our clients succeed, our firm will succeed. Ever since then, this belief has been a vital part of our daily work, and it continues to inform our approach to every aspect of our business—both now and in the long term.

OUR APPROACH TO ANALYZING ESG CONSIDERATIONS

Our mission is to help our clients reach their financial goals through a thoughtful, disciplined approach to managing investments. To this end, 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.

Environmental, social, and governance factors comprise a broad spectrum of issues, which our investment analysts consider in the context of a given company, industry, or region of the world. We assess and understand the ESG factors that are most likely to have a material impact on the performance of the companies in our clients' portfolios, guided by the following principles:

Collaboration

We believe companies, investors, and governments all have a role to play in improving corporate disclosure and strengthening the sustainability of business practices over time.

Accountability

Our investment analysts are responsible for assessing the full range of factors likely to have a meaningful impact on the company's performance.

Fundamental Research

We believe ESG analysis and engagement are most effective when led by experienced investors who know the company well and are best positioned to evaluate these considerations in the appropriate context.

Stewardship

We believe our responsibilities as diligent investors don't end with the decision to purchase a security. We maintain regular dialogue with the managers of our portfolio companies.

Materiality

We focus on the ESG factors we consider most likely to have a material impact on the performance of the companies in our clients' portfolios over our investment time horizon.



Demonstrating Our Commitment and Collaborating for Collective Action

We believe collaboration with other institutions benefits our clients. We share insights and engage with other investors through participation and leadership in the following initiatives:

- > Asian Corporate Governance Association
- > Associação de Investidores no Mercado de Capitais
- > Commonsense Corporate Governance Principles
- > Council of Institutional Investors
- > Investor CDP signatory
- > Investor Stewardship Group
- > Japan's Stewardship Code
- > Principles for Responsible Investment
- > UK Financial Reporting Council's Stewardship Code
- > UK Investor Forum

Notably, in 2016, we became founding members of the UK Investor Forum and Investor Stewardship Group, which provide regular opportunities for collaborative engagement on ESG issues.



Associate Spotlight: MARIA ELENA DREW

Director of Research,
Responsible Investing,
T. Rowe Price

Deepening Our Analysis of ESG Considerations

In 2017, T. Rowe Price hired Maria Elena Drew to deepen the firm's research on ESG considerations and focus on the continued incorporation of ESG analysis into the firm's investment decisions. In the new role of director of research, responsible investing, Maria will build a team of responsible investing analysts. She will also partner with Donna Anderson, head of corporate governance, and work closely with the firm's investment teams to develop and integrate an ESG framework across geographies and asset classes.

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By integrating ESG considerations into our investment process, we are able to identify well-managed, more forward-thinking companies that are leaders in their industry.

Responsibility for incorporating ESG considerations into investment decisions is embedded across our research platform. Analysts who are experts in their fields cover a specific region or sector, and may follow some companies for more than 10 years. Their responsibilities include meeting the management teams, conducting site visits, and producing detailed company and industry analysis.

To support our analysts' ability to assess ESG investment factors, we have built a rich set of specialized resources for them to use, both internally and externally. We have a team of full-time specialists who are integrated into our research teams to work with our investment analysts and portfolio managers to help them understand the ESG issues relevant to their portfolios. We also have retained an array of external research partners specializing in data on environmental and social issues, corporate governance, executive compensation, and regulatory matters.

T. Rowe Price's Key Criteria for ESG Considerations

GOVERNANCE	ENVIRONMENTAL ISSUES
Strategic objectives	Long-term sustainability
Capital stewardship	Impact of regulatory changes
Leadership quality and credibility	Long-term availability of key resources
Accountability and transparency	
Competitive environment	
Governance and management incentive structures	
Reputation and brand equity	
Operational efficiency and execution	
Willingness to engage with investors	
SOCIAL ISSUES	
	Corporate values and integrity
	Employment practices
	Supply chain management
	Treatment of stakeholders
	Ability to attract and retain talent

Proxy Voting

Proxy voting is a critical component of our approach to corporate governance and our fiduciary responsibility to our clients. We provide extensive disclosure—to clients and to the public—about our proxy voting decisions and the context in which they are made. When considering the voting items on our portfolio companies' proxies each year, we support actions we believe will enhance the value of the companies in which we invest, and we oppose actions or policies that we see as contrary to shareholders' interests. For more information about our approach to proxy voting, please visit our [Proxy Voting Guidelines](#).

30,238

Director Votes

89,380

Proxy Votes

6,718

Shareholder Meetings

Data represents the 2016 calendar year

Engaging With Portfolio Companies

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Q&A With Donna Anderson

Head of Corporate Governance, T. Rowe Price

An increasing number of asset management companies are incorporating ESG into investment decisions. What makes T. Rowe Price's approach distinct from other asset managers?

We have an investment-driven approach that is laser-focused on understanding how ESG considerations will affect the performance of a company in our clients' portfolios. In our view, ESG issues are investment issues. Because our engagement priorities are so tightly connected to our investment views on a company, we conduct our company-level engagements privately.

What was new in 2016 and 2017?

The benefits of having a diverse Board of Directors is increasingly supported by data. We own multiple North American companies in our portfolios that do not have

and have never had a woman serve on their Board. We have begun actively engaging with these companies to encourage more gender diversity on their Boards of Directors.

Additionally, the assessment of political risk took on heightened importance across our strategies. Recent political events—in particular the UK vote to exit the European Union and the presidential election in the U.S.—had a significant effect on our investments across a number of strategies and asset classes. Our regulatory specialists, analysts, portfolio managers, and firm management created multiple opportunities for our investment teams to discuss the short- and long-term implications of these events. For example, we brought in external speakers, including former members of Parliament, U.S. government officials, and currency experts, to offer their perspectives.

In what ways does T. Rowe Price engage with portfolio companies?

We have varying degrees of engagement depending on the circumstance. Our approach usually fits into one of two categories: light or heavy engagement.

Also, we directly connect with Boards to strengthen our relationships with companies; gain incremental insights; and share a point of view about the companies' performance, prospects, governance, and business practices. In fact, our analysts and portfolio managers were invited to present to a number of Boards of Directors of companies in which we have large stakes.

Categories of Engagement

LIGHT ENGAGEMENT

- > High number of brief engagements
- > Fewer resources devoted to each engagement

We frequently initiate short-term engagements with companies when we discover that they are poorly rated by our external research providers who specialize in environmental and social risks. Often, we learn that a poor relative ranking by these third-party services is driven more by spotty disclosure than by poor risk management. We find that small- and mid-cap companies rarely receive feedback from their investors about their disclosure, so they devote few resources to reporting. As a consequence, they are poorly rated. In our experience, this problem is often easily addressed.

HEAVY ENGAGEMENT

- > Low number of intensive, often multiyear engagements
- > More resources devoted to each engagement

We have significant investments in three large U.S. companies in the financial services, health care, and business services sectors, all of which have recently experienced material controversies related to business practices, litigation exposure, and failures of oversight. In all three cases, disclosure of these incidents has resulted in extensive negative media coverage, senior management turnover, increased litigation, stock underperformance, reputational damage, or all of the above. We have initiated discussions with the senior management teams and members of the Boards of all three companies. Correcting the poor business practices that occurred is just the first phase of the process. Addressing the cultural or structural factors that allowed the incidents to happen is a more complex undertaking. These issues are long term in nature, and our heightened level of discussion with these companies is likely to continue over the next two to three years.

Corporate Governance

Our disciplined investment process extends to how we govern our own business. Our Management Committee includes investment professionals who have spent decades observing and studying effective corporate governance practices.

In order to earn and maintain our clients' confidence, we have established a governance structure and corporate governance guidelines to safeguard their interests, as well as those of our other stakeholders.

APPROACH

The firm's senior leadership and Board of Directors are ultimately responsible for ensuring that the firm adheres to sound corporate governance policies that align with our values as an organization. We have a coordinated approach centered on five highly collaborative functions.

Business Units

All T. Rowe Price associates are expected to conduct themselves according to the highest level of integrity and ethics. This philosophy is applied to all business processes and reinforced regularly through our hiring criteria, our associate training, and our [Code of Ethics and Conduct](#). Each business unit retains first-line responsibility for identifying and managing risk within its business processes, maintaining a strong control environment, and designing procedures to meet regulatory compliance requirements.

Enterprise Risk Management

Enterprise Risk Management coordinates with the business units to proactively identify and manage risks within the organization, particularly: strategic risk, operational risk, business continuity risk, human capital risk, compliance risk, and financial risk. Enterprise risk also ensures that the firm's oversight

processes and technology around investment risk are well matched to our continually evolving profile as a global, active investment manager.

Firmwide Compliance

Our compliance program ensures that we maintain sound compliance practices according to local laws and regulations across the globe. The U.S. director of Strategic Compliance coordinates and supports T. Rowe Price's overall compliance program. Meanwhile, our head of International Compliance, based in the UK, ensures that we operate in accordance with the regulations of each country in which we are involved.

Internal Audit

Internal Audit is managed by the head of Internal Audit and reports to the chief financial officer and the Audit Committee of the T. Rowe Price Board of Directors, providing independent assurance of effective control of risks across the firm. Internal Audit prepares an annual risk-based strategic audit plan that is reviewed and approved by the Audit Committee.

Business Continuity

Our business continuity program is designed to ensure we are able to maintain the operational integrity of critical business functions, as well as reduce the potential risks resulting from disruptions at any of our offices.



Associate Spotlight: PAUL WOJCIK

Chief Risk Officer, T. Rowe Price

As chief risk officer, Paul Wojcik ensures T. Rowe Price is focused on holistically assessing and managing all types of risk facing the firm, from investment risk to business risk, third-party risk, and fraud. Under Paul's leadership, his team evaluates existing and emergent financial instruments, such as stocks, bonds, currencies, and derivatives to ensure that T. Rowe Price is making the best financial decisions for our clients. "We believe in transparency when it comes to risk management—understanding possible options and outcomes based on the evolving markets and regulations—so we are prepared as a firm and so our investors can help align clients' portfolio risk to their objectives."

Ethics and Integrity

As a global investment management firm, T. Rowe Price is committed to conducting its business with the highest level of integrity and ethics.

CODE OF ETHICS

This commitment is formalized and reinforced through our Code of Ethics and Conduct (Code), which has been in effect for more than 30 years. The Code is applicable to all associates and directors of the company, as well as contractors, consultants, vendors, and temporary workers who perform ongoing services for the firm. All associates must participate in annual continuing education and training related to the Code that promotes honest conduct; full, timely, and accurate reporting; compliance with laws; and accountability for adherence to the Code, including internal reporting of any violations.

The Code is also maintained and administered by an Ethics Committee, appointed by the Management Committee, which identifies and addresses activities that could create conflicts with the interests of our clients, associates, or the firm itself—imposing sanctions for violations of the Code, with approval by the Management Committee.

SECURITY AND PRIVACY

At T. Rowe Price, safeguarding our clients' online security and privacy is a top priority. Through strict security measures, as well as protocols outlined in our [Privacy Policy](#), we work to ensure that online communications and transactions are safe and reliable.

WHISTLEBLOWER PROGRAM

Our whistleblower program provides employees the opportunity to submit a complaint without the fear of dismissal or retaliation. It is clearly and regularly communicated through the Code and the firm's intranet site and is reinforced through annual training. Complaints can be filed in writing or through a toll-free, 24/7 anonymous hotline.

ANTI-BRIBERY POLICY

The values and global business practices of T. Rowe Price are expressly designed to prevent bribery and corruption. As such, the firm maintains a strict global compliance program that prohibits illegal payments and provides guidelines for associates regarding acceptable business activities. To ensure understanding and compliance, all associates are required to complete annual anti-bribery training.

EXECUTIVE COMPENSATION

We align our executive compensation with the interests of our clients and stockholders and provide it primarily in the form of a low base salary relative to overall compensation, annual cash incentive compensation, and long-term equity incentive awards.

The Executive Compensation and Management Development Committee oversees T. Rowe Price's compensation, talent development, and succession planning. The committee reviews and approves firmwide compensation policies, as well as specific compensation levels of the CEO and other executive officers. Additionally, the committee annually reviews succession and talent development plans for key senior roles across the firm.

Our executive compensation recognizes both shorter- and longer-term success, and our focus is to reward intermediate- and longer-term performance of our top management. Key measures include the financial performance and financial stability of the firm, the relative investment performance of our mutual funds and investment portfolios for clients, and performance against



Honors

- > FTSE4Good Index
- > MSCI Global Sustainability Index series
- > MSCI Global Socially Responsible Index series
- > Sustainalytics—ranked in the 84th percentile (scored 64 out of 100)
- > The Women's Forum of New York 2017 Corporate Champions

goals and objectives. Increases and decreases in bonuses paid to our executives have consistently been in line with changes in the company's financial performance.

POLICY ON CAMPAIGN CONTRIBUTIONS

As part of our responsibilities to stockholders and clients, T. Rowe Price regularly monitors and evaluates public policy issues affecting our business. Over the years, we have focused our public policy efforts on areas affecting our clients, including ensuring fairness and best practices in investment management, mutual funds and other investment vehicles, retirement savings, tax policies, and capital markets. Leaders across the firm's business units, as well as our Legal and Compliance Department, work closely to determine whether, and in what way, to engage lawmakers, regulators, trade associations, or other third parties in the dialogue. As part of our engagement in the public policy process, we maintain memberships and participate in a number of industry associations.

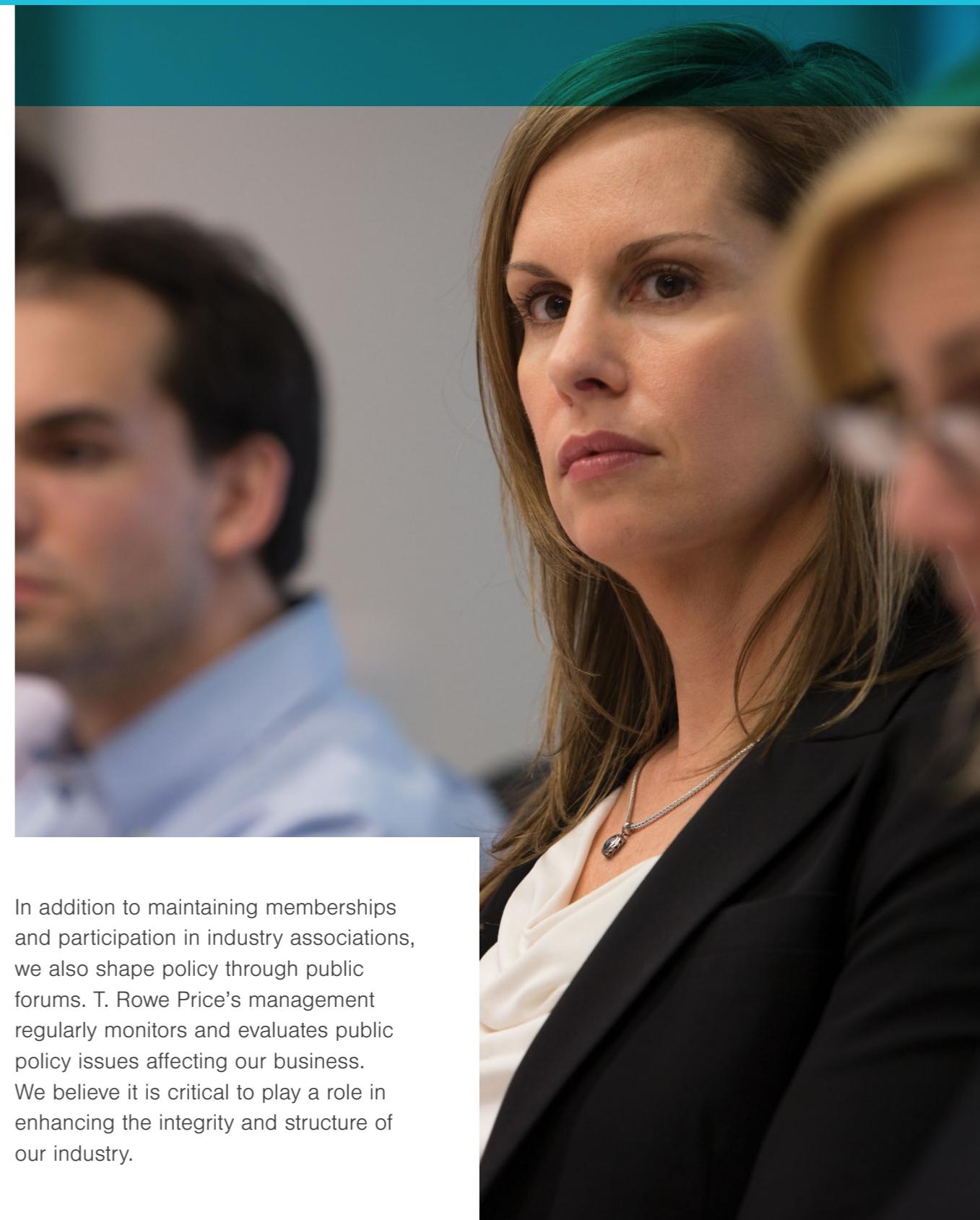
We adhere to rules and regulations that limit the political activities of investment advisors that provide advisory services to government entities. We do not make corporate contributions to political candidates, parties, or committees,

nor does the firm maintain a political action committee. Associates are required to obtain prior approval for all political contributions from the Legal Department, which is responsible for monitoring compliance with our policy.

ENGAGING ON KEY INDUSTRY ISSUES

T. Rowe Price associates are actively involved with policy and industry organizations through leadership roles or committee participation, including:

- > American Benefits Council
- > Australian Institute of Superannuation Trustees
- > Employee Benefit Research Institute (EBRI)
- > European Fund and Asset Management Association
- > Financial Services Information Sharing and Analysis Center
- > Forum of European Asset Managers
- > Hong Kong Investment Funds Association
- > Investment Adviser Association
- > Investment Company Institute (ICI)
- > ICI Global
- > SPARK Institute
- > UK Investment Association



In addition to maintaining memberships and participation in industry associations, we also shape policy through public forums. T. Rowe Price's management regularly monitors and evaluates public policy issues affecting our business. We believe it is critical to play a role in enhancing the integrity and structure of our industry.

Simplifying Clients' Charitable Giving

Since 2000, the T. Rowe Price Program for Charitable GivingSM, a national, donor-advised fund founded by T. Rowe Price, assists clients with planning and managing their charitable giving.

The Program for Charitable Giving, governed by an independent Board of Directors, brings expert oversight in providing an efficient and effective means for initiating, growing, and distributing charitable gifts. Through highly personalized service, flexible tax advantages, and low annual fees, individuals and corporations can actively engage in philanthropy and support qualified charitable organizations throughout the United States.

THE PROGRAM FOR CHARITABLE GIVING

Since its inception, the Program for Charitable Giving has distributed more than \$220 million in grants to public charities, private operating foundations, and government entities. In 2016, donor contributions totaled more than \$69 million, bringing total assets to over \$245 million as of December 31, 2016. During this time, nearly \$40 million in grants were made. The Program for Charitable Giving continues to see significant growth while also maintaining high efficiencies in donation processing and in meeting donor needs.

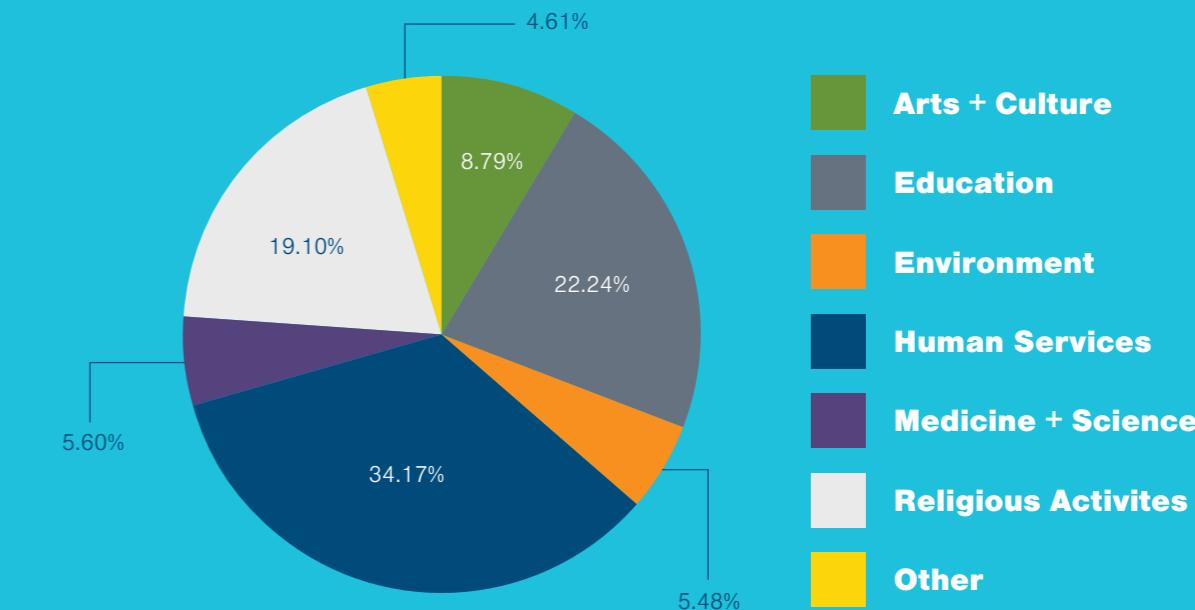
To learn more about the Program for Charitable Giving, visit ProgramForGiving.org or email us at PCGQuestions@ProgramForGiving.org.

"We are longtime T. Rowe Price clients, as are many family members and friends. T. Rowe [Price] makes it easy to donate appreciated stock to our donor-advised fund with the Program for [Charitable] Giving."

CHRISTY AND MATTHEW WYSKIEL

T. Rowe Price Clients and Cofounders of the Baltimore Next Generation Investing Event

Percentage of Total Program for Charitable Giving Grants by Cause



Program for Charitable Giving Grants and Donations



All data are as of December 31, 2016

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Investing for **ASSOCIATES**



Cultivating the Best Talent for Our Clients

At T. Rowe Price, our people are our greatest asset; they are the building blocks of our success. Our nearly 6,900 associates work in 16 countries, and we are committed to empowering each of them to pursue professional and personal growth. We continually strive to create an environment that supports our associates' aspirations, where associates can bring their full selves to work—their diverse perspectives, experiences, and passions—and come together to collaborate and contribute to the success of our clients, our firm, and our communities across the globe.

To further advance this vision, in 2014, we conducted an assessment to determine the greatest opportunities for advancing diversity and inclusion at T. Rowe Price. We gathered insights from more than 400 associates, line managers, and senior executives to assess the firm's progress and identify gaps and measures of success. These insights informed the resulting five-year plan that directly ties into our broader business goals and focuses on three key diversity and inclusion objectives:

- > Holding leaders accountable for diverse talent results
- > Attracting, developing, and retaining exceptional and diverse talent
- > Building on our culture to foster inclusion and enable associates to contribute at their highest levels

We made significant progress in meeting these objectives and established initiatives that will ensure continued success in achieving our talent and business goals.

Our Diversity and Inclusion Objectives



T. ROWE PRICE CEO SIGNS DIVERSITY AND INCLUSION PLEDGE

In 2017, the firm joined more than 250 other companies and their CEOs in a commitment to advance diversity and inclusion in the workplace, through a pledge by President and CEO Bill Stromberg.

By joining the CEO Action for Diversity & Inclusion™ coalition of companies and organizations, T. Rowe Price is committing to three initial goals intended to catalyze further conversation and action around diversity and inclusion within the workplace and foster collaboration among the member organizations:

1. We will continue to make our workplaces trusting places to have complex—and sometimes difficult—conversations about diversity and inclusion.
2. We will expand the firm's unconscious bias education.
3. We will share our successes as well as our challenges with others.

"Our commitment to diversity and inclusion goes hand in hand with our desire to attract and retain the best talent and provide the best solutions for our clients," says Mr. Stromberg. "Fulfilling that commitment is a journey, however, not a destination. The CEO Action for Diversity & Inclusion pledge unifies major companies in their efforts to raise awareness on such an important issue and helps foster an environment of greater accountability."

Strengthening Diversity and Inclusion in Leadership

We restructured our governance for diversity and inclusion to drive greater accountability across the business.

We have identified leaders in each business unit to spearhead the execution of this plan and have already seen encouraging results across the firm, particularly at the manager and senior levels*, with 46% diverse senior level new hires.

To further ensure accountability and ongoing focus on these efforts, diversity is tracked and embedded into performance management and succession planning. Annual talent reviews and succession planning for the top three levels of the organization include diversity goals. Also, leadership holds quarterly talent reviews to monitor progress of succession and development actions related to diversity and inclusion.

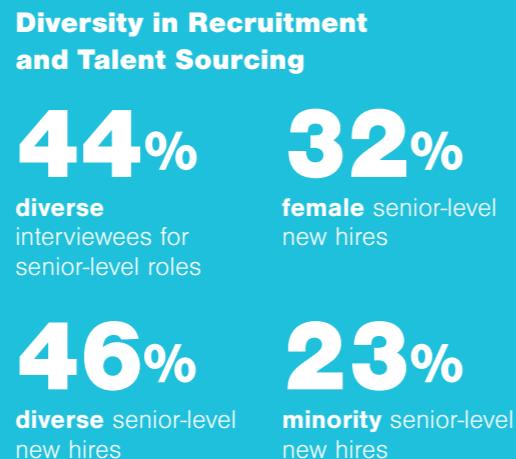
*Senior level is defined as people leaders and/or individual contributors with significant business or functional responsibility.



Attracting and Developing Diverse Talent

We invest in attracting, retaining, and optimizing the capabilities of our talent—empowering them to work together in a highly collaborative environment to create value for our clients.

We make a consistent, firmwide effort to increase the diversity of candidates, particularly at the senior level. To enable this, we encourage people managers to seek diverse candidates and explore new recruitment channels and talent sources, so that at least 30% of our senior-level interviewees are diverse candidates. In 2016, we exceeded this goal, as 44% of candidates interviewed for senior-level roles were diverse. This led to an increase in female and minority leadership at T. Rowe Price. Of senior level new hires, 46% were diverse, with 32% female new hires and 23% minority new hires.



PARTNERSHIPS

T. Rowe Price developed strong partnerships with numerous organizations to find and hire great talent. We are deepening our relationships with universities and other organizations committed to diversity to help open the doors to strong, diverse talent. Our partners include:

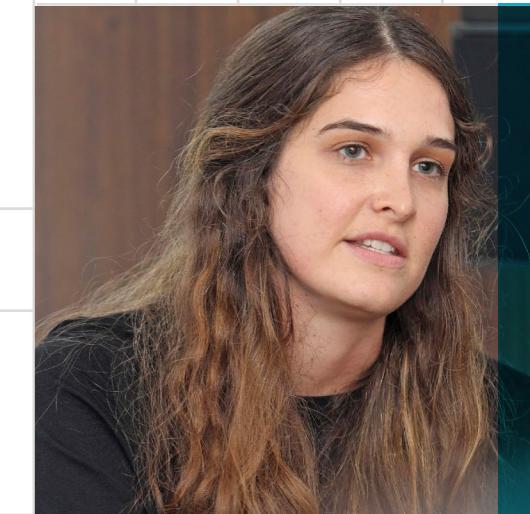
- > Catalyst
- > Diversity Best Practices
- > Girls Who Invest
- > Morgan State University
- > Out & Equal
- > Toigo Foundation
- > University of Maryland, Baltimore County
- > University of South Florida Muma College of Business

BENEFITS AND COMPENSATION

At T. Rowe Price, we offer a generous retirement savings plan. Associates are eligible for 401(k) contributions from the firm of 4.5%–10.5% of their eligible compensation, in addition to a company match of 2% for associates who contribute 4%. We also provide competitive benefits that reflect the diversity and unique needs of our associates throughout various stages of their careers and lives. For example, enhanced maternity and parental leave benefits will be rolled out in 2018 and will offer mothers 10 weeks of maternity leave, in addition to the 6 weeks of paid leave that all new parents receive, mothers and fathers alike. Adoptive parents are eligible for 16 weeks of paid leave, in addition to adoption assistance. Health care benefits for LGBT+ and domestic partners are provided. Since 2013, we have offered our associates backup child care and elder care in the U.S., the UK, and Canada after learning that these are two areas in which associates need further support. We also support associates' healthy lifestyles by reimbursing them for their fitness club memberships up to specified limits, offering webinars on healthy living, and providing comprehensive health and dental insurance.

GROWTH AND DEVELOPMENT

Once associates have been hired, we strive to provide the opportunities they need to grow their careers, starting with ensuring that their voices are heard and respected. In 2016, we launched a Leadership Forum to raise awareness of the significance of diversity and inclusion, and drive manager engagement around our efforts.



Fostering a Culture of Collaboration and Inclusion

At T. Rowe Price, our culture is our differentiator. Our goal is to create an inclusive culture and environment in which associates are engaged, connected, and compassionate, bringing their whole selves to work every day, and fostering a high-performing workplace that builds on our diverse perspectives and experiences to create the best value for our clients.

“The fireside chat with our CEO on race in the U.S. following the unrest in Baltimore was among the most valuable conversations I’ve had during my 18 years at T. Rowe Price. By bringing together African American associates from across the firm, our leadership expressed genuine interest in our experiences and gave us a voice and a seat at the table. I feel proud to work for a company that is this dedicated to fostering an inclusive workplace environment.”



PETER J. GRIFFIN III

Assistant Vice President in
Consultant Relations,
T. Rowe Price

Diversity by the Numbers

45%

Female associates

26%

Minority associates
in the U.S. workforce

46%

Board diversity

31%

Female

23%

Minority



Helping Our Associates Reach Their Full Potential

Our business resource groups strengthen and broaden our culture of inclusion. Insights gleaned from these groups have helped build our brand in diverse communities and have contributed to our existing recruitment and talent acquisition strategies. Associates who participate in these groups build their networks, develop their careers, and provide important perspectives that help shape our company.



PRIDE

We launched PRIDE to serve as a resource for LGBT+ associates and allies across the globe and to provide business insights for the firm. Over the last two years, PRIDE:

- > Formed to ensure that all lesbian, gay, bisexual, and transgender associates are comfortable bringing their full selves to work each day.
- > Launched the PRIDE Ally program—a network of volunteer leaders and coworkers who self-identify as allies.
- > Introduced PRIDE for Leaders and Ally training programs to continue to foster an inclusive environment for LGBT+ associates.
- > Established a relationship with Stonewall in the UK to extend support of LGBT+ associates and the community.



WAVE

Since its inception in 2011, the Women's Roundtable provided a solid foundation for female and male leaders to work together toward gender equality in the workplace by providing career development opportunities and sharing insights on gender-related topics. It served as a platform for leaders to support the firm by increasing its ability to attract, develop, advance, and retain talented and principled women. Examples of the Women's Roundtable results include our parental leave policies in the U.S., backup care options for associates in the UK, and new approaches to collecting and sharing data on the firm's gender diversity levels.

While the Women's Roundtable has seen tremendous success, it became clear that to further its role as an advocate for women, the group needed to consider the perspective and views of all T. Rowe Price associates, regardless of where they are in their careers. In 2017, the Women's Roundtable officially transitioned into WAVE, a business resource group that extended its membership to all associates. Within just a couple weeks of its launch, WAVE membership quickly grew to over 1,000 associates.

WAVE works to:

- > Create and manage targeted development programs to support women's advancement.
- > Encourage an open, inclusive culture through firmwide engagement and education.
- > Influence policies and practices to ensure equity for women at the firm.
- > Manage a global communications platform to engage associates firmwide.
- > Consistently gain insight to ensure relevance of firmwide programs and activities.



MOSAIC

In 2012, the Ethnic Diversity Roundtable was established to provide insights on how to attract and retain diverse talent while helping the firm understand issues related to race and ethnicity and build an inclusive culture. The Ethnic Diversity Roundtable strengthened the firm's diversity and inclusion efforts by supporting M.B.A. and undergraduate recruiting in the Investment division, hosting a fireside chat with the firm's CEO to discuss race, and developing a process to identify diverse suppliers.

To further the group's work, it was time for a change—one that would facilitate a new structure and engage all associates in the effort.

In 2017, the Ethnic Diversity Roundtable changed its name to MOSAIC and transitioned to a business resource group, offering opportunities for all associates to get involved.

MOSAIC seeks to:

- > Strengthen the firm's competitive advantage by attracting and retaining ethnically diverse associates.
- > Promote an inclusive culture that values differences.
- > Develop talent and business practices in support of the firm's diversity and inclusion strategy.

Supporting Our Associates' Passions

Our associates are at their best when they are engaged and provided with opportunities to succeed and thrive both professionally and personally.

To help ensure our associates are positioned for success, we assess our firm's strengths and development opportunities in leadership, management execution, innovation, and associate engagement through our Associate Engagement Survey. The results of our 2016 survey confirmed that T. Rowe Price is a great place to work and grow. Due in part to strong and encouraging leadership and shared values, T. Rowe Price has a highly motivated workforce who are invested in the company. The survey found that 84% of T. Rowe Price associates feel engaged (up from 77% in 2014), compared with 33% of U.S. employees nationwide according to Gallup's U.S. Employee Engagement Report. Additionally, 84% of associates want to work for T. Rowe Price because of the firm's culture and work environment (up from 73% in 2014). Overall, most associates are proud and motivated to work for T. Rowe Price and believe they have the opportunity to do challenging and interesting work that makes good use of their skills.

Associate Impact in 2016

- **\$7.7M** through workplace giving
- **46,000** volunteer hours
- **313** associates served on **373** nonprofit Boards

Results From Our Associate Engagement Survey

91 %

feel T. Rowe Price offers associates the flexibility to participate in activities that will benefit the communities in which it operates.

81 %

find it important that T. Rowe Price offers volunteer opportunities and matches charitable contributions.

T. Rowe Price invests in associates' passions and provides numerous opportunities for engaging in the causes they care about. We amplify the impact of our associates' financial support through our Global Matching Gift Program, reward their donated time through volunteer service grants, provide paid volunteer workdays, sponsor their favorite nonprofits' events and initiatives, and enable them to share their expertise with organizations through Board service and pro bono volunteering.



Awards + Rankings

- > Perfect 100 score on the Human Rights Campaign's 2018 and 2017 Corporate Equality Indices
- > America's 50 Most Trustworthy Financial Companies 2017 and 2016 *Forbes*
- > America's Best Midsize Employers 2017 *Forbes*
- > 2017 and 2016 *Fortune*'s Most Admired Companies. Ranked first place in Social Responsibility and Financial Soundness categories in Securities and Asset Management Industry of *Fortune*'s 2017 Most Admired Companies
- > 2017 Best Places to Work in Money Management *Pensions & Investments*
- > *CollegeGrad.com* 2017 Top Intern Employer
- > 2016 Top Companies for Women Technologists, Anita Borg Institute Leadership Index



Associate Spotlight: ROLF HANS ELSENER

Client Relationship Manager, T. Rowe Price

Fostering Inclusion Through PRIDE @ T. Rowe Price

Rolf Hans Elsener, a client relationship manager in T. Rowe Price's Zurich office and financial industry veteran of more than 30 years, has witnessed an evolution of support for the LGBT+ community. He feels the launch of PRIDE @ T. Rowe Price and the PRIDE Ally program signifies an important commitment by the company to inclusion and proof that our culture embraces differences and enables associates to bring their true selves to work. "I have been out at work for the past 15 years. Working for a company that supports the LGBT+ community makes me proud. By openly embracing and talking about diversity, T. Rowe Price demonstrates their commitment to associates and creating an inclusive environment where they can bring their 'true self' to work."

Collaboration and Strong Relationships Are Key to Our Colorado Springs Associates



Q&A With Jacob Pruitt

Head of Relationship Management and Site Leader, Colorado Springs, T. Rowe Price

As a site leader, how do you engage associates in the Colorado Springs office?

We rally around our associates and make sure they have opportunities to develop the skills and experiences they need to grow. As a site leader, my goal is to help associates gain these experiences not only from a work perspective, but also from extracurricular activities, such as volunteering. A great sense of pride is instilled by volunteering in our local community. The local Colorado Springs team helps connect associates with local partners and volunteer opportunities so they can get involved in causes they are passionate about.

How would you describe T. Rowe Price's culture?

We are collaborative, relationship-oriented, and focused on facilitating a supportive environment for associate growth. Collaborative because we gather insights and opinions across teams to determine the best approach.

Everyone feels like they are part of the decision, leading to great service and exceptional presence in the marketplace. Relationship-oriented because we are each truly dedicated to understanding the unique needs and perspectives of every client and associate by developing strong relationships with them. Supportive of associate growth because we consistently strive to help our associates develop themselves personally and professionally.

How do associates apply T. Rowe Price's culture to client services?

Our relationship-driven culture permeates our approach with clients. We have many longstanding relationships (several are 30-year relationships), and similar to how we work with one another, we are also deeply focused on understanding our clients' needs and aspirations, in order to provide the best counsel. We strive to be true client partners in the same collaborative, relationship-based way that we work with one another internally.

ENGAGING WITH CIVIC LEADERS ON LOCAL AND GLOBAL CHALLENGES

To raise awareness among associates about global and local issues, the T. Rowe Price Foundation sponsored a lunch series. In each session, keynote speakers shared their perspectives with associates on separate issues, challenges, and innovations. Topics and speakers included:

- Charitable Giving in Our Changing Global Environment—Anthony Pipa, senior fellow at the Brookings Institution, and Mona Mourshed, senior partner at McKinsey & Company and president of Generation
- Generational Differences in Charitable Giving—Marc Freedman, founder and CEO of Encore.org, and Derrick Feldmann, CEO of Achieve, Inc.
- Baltimore's Historical Past and Statistical Present—Dr. Elizabeth Nix of the University of Baltimore, and Dr. Seema Iyer of the Baltimore Neighborhood Indicators Alliance
- Cutting-Edge Ideas to Improve the City—Dr. Sarah Hemminger of Thread; Fagan Harris, CEO and cofounder of Baltimore Corps; and Joe Jones, CEO of the Center for Urban Families
- The City Government's Role in Our Communities—Dr. Leana Wen, Baltimore City health commissioner, and Dr. Sonja Santelises, CEO of Baltimore Public Schools

In a post-event survey, the sessions received positive feedback from associates, some of who noted, “[It] gave me a good foundational knowledge on thoughtful, high-impact giving,” and “The speakers were highly interesting... I could have listened to them a lot longer.”



Pedal to Paris 2016

In 2016, 24 T. Rowe Price associates from Europe and the U.S. joined 350 other cyclists for the 21st annual Pedal to Paris charity ride from London to Paris, raising more than £50,000 (USD \$65,000) for the Royal British Legion. Including a corporate sponsorship and additional gift matching, The Royal British Legion, which recognized T. Rowe Price for being the charity's single largest fundraiser in 2016, provides lifelong support for the armed forces community, serving men, women, veterans, and their families.

Investing for **COMMUNITIES**



Tailoring Investments for Community-Led Impact

T. Rowe Price serves as a trusted partner to our communities as well as to our clients. Working closely with nonprofit and community leaders, we seek to understand areas of greatest need and invest in innovative solutions that improve outcomes for youth, empower individuals, and enrich communities around the globe. Through volunteering and workplace giving, our associates amplify our efforts and help us maximize our impact.

Since 1981, the T. Rowe Price Foundation has contributed more than \$100 million in direct grants and matching contributions. In 2016, the Foundation awarded 208 direct grants totaling \$3.4 million to nonprofit and community partners to support education, human services, and arts and culture.

OUR FOCUS AREAS

Education and Youth Development

Human Services

Arts and Culture

Creating Community-Based, Long-Term Impact With The T. Rowe Price Foundation



Q&A With John Brothers

President, T. Rowe Price Foundation and
T. Rowe Price Program for Charitable Giving

What is the T. Rowe Price Foundation's giving strategy?

The communities we support all have great assets and needs. In order to ensure our resources drive change in communities, we take a thoughtful approach in consulting with local leaders and community organizations to understand how we can address pressing needs and amplify existing efforts to deliver critical support to communities. Our strategy is focused, yet nimble, with emphasis on supporting initiatives across our three pillars—education and youth development, human services, and arts and culture—as well as investing in new and innovative approaches through our new grants to support cutting-edge solutions and solve tough challenges. In addition to programmatic funding, we have also increased our support for capacity building among local nonprofits and community-based organizations to ensure they have the infrastructure and internal resources they need to serve their communities most effectively.

How do you identify innovative funding opportunities?

Involving our communities from the very beginning to truly understand their needs, the local landscape, what's working, and opportunities is a key component of our strategy. Through this listening process, we have uncovered some interesting and innovative cases of community members leading local and engaging initiatives that we likely otherwise would not have known about. These are the kinds of local, impactful, and vibrant activities that we look for.

How does the T. Rowe Price Foundation evaluate impact?

We work with our partners to create holistic criteria to evaluate opportunities and potential for impact that we strive for across all of our partnerships and focus areas. First, we work to ensure that residents can witness, in tangible ways, the positive changes in and benefits to the community from our investments. To make this possible, neighborhood involvement is a critical component of any investment, starting from early stages. We also look for long-term, measurable impact and collaborative approaches to achieve and maximize that impact. Last, we look for replicable and scalable models with which we can tackle systemic issues. With all of our investments, we also look for opportunities for our associates to engage with partners and further amplify our impact.

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Education and Youth Development

T. Rowe Price is committed to empowering young people by providing access to educational opportunities, building financial capabilities, and developing skills for future success. From our headquarters in Baltimore to classrooms in Zambia, we partner with organizations such as Junior Achievement, Teach For America, Room to Read®, and Big Brothers Big Sisters of America to mentor students; develop the next generation of leaders in education; provide access to learning for children across the globe; and instill invaluable financial and leadership lessons from an early age. In 2016, 47% of direct grants from the T. Rowe Price Foundation went to education and youth development initiatives.

ENABLING BRIGHTER FUTURES THROUGH EDUCATION

We believe one of the best investments we can make is in our youth. T. Rowe Price supports programs that empower and prepare youth for academic success, a career, and life. By hosting Career Day workshops in our global offices, renovating classrooms, providing school supplies, funding educator training, and mentoring students, T. Rowe Price is helping remove barriers that many underserved youth face in achieving educational milestones.

For example, the T. Rowe Price Foundation helped Room to Read provide the Swan Primary School, in Choma, Zambia, with monthly,

multi-day literacy instruction trainings for educators and a renovated classroom library with more than 1,200 new books for more than 1,200 students. Through a grant to the Fund for Educational Excellence, the T. Rowe Price Foundation funded 23 Little Free Libraries across Baltimore to increase access to books and engage children and families in reading through free book exchanges in community hubs.

Additionally, the T. Rowe Price Foundation partnered with New Leaders to host a capacity building workshop for principals in West Baltimore to help them become more effective leaders. The agenda was created in collaboration with T. Rowe Price's Enterprise Learning team in Human Resources and focused on using problems of practice to analyze

complex leadership dilemmas and managing through change.

SPONSORING COMMUNITY DEVELOPMENT

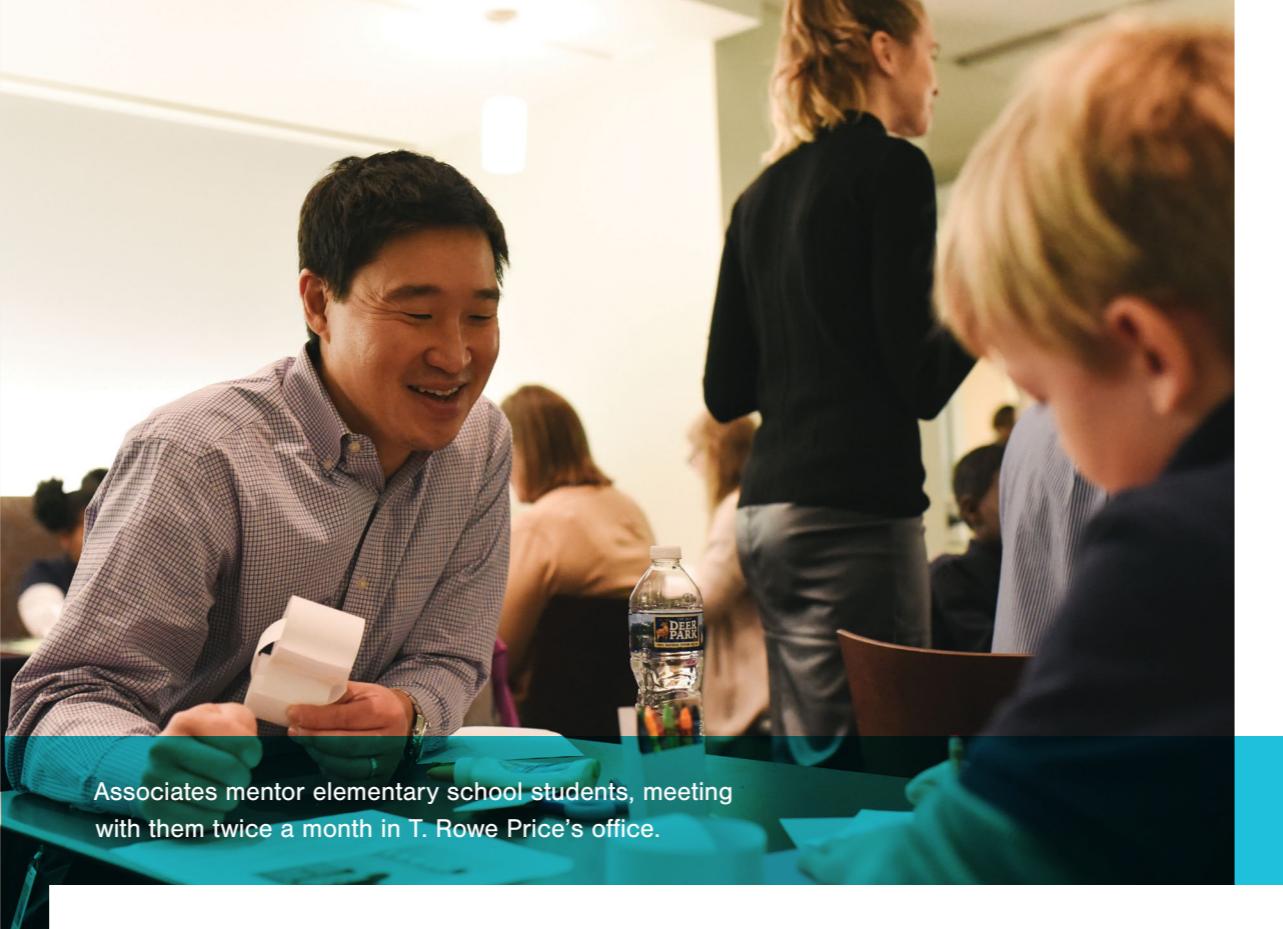
To create positive change in our communities, T. Rowe Price extends sponsorship support for a variety of charitable organizations. Through our sponsorships of the Bright Lights Youth Festival at Light City Baltimore, Project Share Hong Kong, and the Boys and Girls Club, among others, we support youth development, local artists, and creative economies to create vibrant cities and communities. We also support our associates' experiences in the community by providing sponsorships of the organizations they support and dozens of corporate membership passes to cultural institutions, which they can enjoy free of charge with their families.



Career Day event for girls held at T. Rowe Price's London office on International Women's Day in 2017.



Swan Primary School in Choma, Zambia was renovated with a grant from the T. Rowe Price Foundation.



Associates mentor elementary school students, meeting with them twice a month in T. Rowe Price's office.

PREPARING YOUTH FOR CAREER SUCCESS

We support programs that improve outcomes for youth beyond the traditional classroom. Associates volunteer year-round with our local and global partners to provide support, mentorship, and career guidance to help prepare youth for future career success.

In London, T. Rowe Price partners with the East London Business Alliance to host an apprenticeship program. Trainees from the local community worked at T. Rowe Price for just over a year to help develop their professional skills and gain experience working in various departments of the firm.

T. Rowe Price supports the United Way in a variety of initiatives, including youth development. In 2016 and 2017,

associates from our Sydney office volunteered their time with United Way of Sydney to hold structured workshops that focused on improving students' self-esteem and social skills. For example, for Manhood Day at South Sydney High School, T. Rowe Price male mentors created a comfortable and open environment to discuss issues and emotions that are important to them.

We partner with Big Brothers Big Sisters of America to mentor elementary school children across our offices. Our Baltimore associates are paired with third graders from Baltimore's Hampstead Hill Elementary School twice a month for creative activities that encourage discussion and teamwork. In Colorado Springs, associates work with Big Brothers Big Sisters of America through a Mentor 2.0 program, which pairs mentors and

students from the time they enter high school through graduation. Through weekly online communications and monthly in-person group events, mentors aim to help their mentees achieve academic success.

In 2016, T. Rowe Price piloted a Career Day program in Baltimore and Colorado Springs and formally expanded the program globally to London, Hong Kong, and Sydney in 2017.

BUILDING FINANCIAL CAPABILITY IN COMMUNITIES

When people learn and apply good financial behavior—especially at an early age—they can achieve financial stability and make smart money choices that benefit themselves, their families, and their communities for generations to come. As an extension of our commitment to educate investors on smart financial decisions, building financial capabilities is the cornerstone of our commitment to communities.

In the mid 2000s, we began to hear more and more about the lack of financial literacy in America, and realized we could use our expertise to help make an impact on the issue. That's why we made a corporate commitment in 2008 to share our resources and know-how in ways that build long-term financial confidence and competency. Since then, we have reached more than 6 million people with our financial education efforts.



Associate Spotlight: **AIMEE DECAMILLO**

Head of Retirement Plan Services, T. Rowe Price

Instilling Invaluable Life Skills for Generations

As a parent and the head of Retirement Plan Services at T. Rowe Price, Aimee DeCamillo understands the importance of building good financial habits early. Aimee regularly volunteers to help build youth financial capabilities.

"We know that getting kids engaged with these concepts early strengthens their financial well-being, which in turn strengthens their family's—and their community's—financial well-being," said Aimee. "Watching kids get excited about financial literacy, and knowing the impact it will have on their future financial health, that's incredibly rewarding."

T.RowePrice
INVEST WITH CONFIDENCE



In 2016, T. Rowe Price opened a storefront within Junior Achievement of Tampa Bay's JA BizTown®—designed and built entirely by associates—to encourage students to learn about the free enterprise system by participating in a simulated town economy.

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Associates participate in the Big Brothers Big Sisters program to mentor students.



T. Rowe Price's Money Confident Kids exhibit has traveled to nearly a dozen cities since it was created in 2015.

saving and spending wisely, inflation, asset allocation, and diversification.

The app of the Star Banks Adventure game has been downloaded 423,000 times since it launched in 2015. To help teachers integrate the Star Banks Adventure game into their lesson plans on financial education, the firm launched a teacher version in 2017.

We continue to support JA's financial education outreach programs. In 2016, we opened our second Junior Achievement BizTown storefront in Tampa, after our first was opened in Baltimore in 2013. A T. Rowe Price storefront is slated to open in the Colorado Springs JA BizTown in 2018. After its opening, T. Rowe Price will have JA BizTown storefronts in all of the U.S. cities in which the firm has large offices.

In 2016, T. Rowe Price sponsored the Money Confident Kids® essay contest in collaboration with Scholastic. A total of 850 students, grades five through eight, wrote essays about a time their parent or guardian set and achieved a financial goal, connecting their thoughts to financial concepts taught in class like saving and spending wisely. Two winners were selected for each of the three prize levels by age, and received cash prizes. In addition, Scholastic books were given to their classrooms. As part of our partnership with Scholastic, we also developed teacher guides and lesson plans for in-classroom use.

Annual Parents, Kids & Money Survey

To better understand financial behavioral trends and opportunities among parents and their kids, we conduct an annual Parents, Kids & Money Survey. In 2017, we found that positive money behaviors and expectations among kids are often associated with parents' decision to let their kids decide how to save and spend their money on their own, as well as modeling good financial habits. Conversely, troubling financial habits among kids were more frequently seen when parents have a troubling history with money.



Empowering Our Clients

UniSuper, our largest institutional client in Australia, is a retirement fund for higher education and research sector employees. For companies like UniSuper, participant engagement through member education provides an important competitive advantage, which is why our Money Confident Kids® program piqued their interest. Excited by the opportunity to extend our financial education program to our Global Investment Services client, we partnered with UniSuper to launch a Money Confident Kids® microsite for their members featuring tips and tools for parents, games for kids, and articles from Scholastic Magazine. As a result, more parents and kids are obtaining financial education.

A New Approach For West Baltimore

In 2016, we embarked on a year-long listening tour to understand West Baltimore's greatest needs and how we could best partner within the local community to provide real solutions. More than 100 meetings with local community leaders and members, as well as global thought leaders on urban poverty and civil unrest, informed our investment in the community.

The result was a three-year, \$1.3 million grant from the T. Rowe Price Foundation to fund collaboration across nonprofits and address West Baltimore's most critical needs.

- > **Strengthening leadership and organizational capacity among community leaders.** A \$575,000 grant was awarded to build nonprofits' capacity to scale their work and help school principals develop their leadership capabilities in partnership with the Maryland Association of Nonprofits, Baltimore Corps, and New Leaders.
- > **Building financial capabilities among families.** A \$480,000 grant was given to help improve financial education and behavior of both adults and children in the community, in partnership with Junior Achievement, Maryland CASH, and Kiva.

The results help increase the financial security of low-income individuals and families, and supports businesses in expanding, refurbishing, hiring new employees, and growing revenue.

We also awarded a two-year \$215,000 grant to Kiva, enabling the launch of Kiva City Baltimore and facilitating small business lending. Seventy percent of Kiva Baltimore's borrowers are women and 91 percent are ethnic minorities.

- > **Improving accessibility of fresh produce.** A \$200,000 grant was awarded to grow, sell, and donate fresh produce, increasing the availability of nutritious food in partnership with No Boundaries Coalition and Strength to Love Farm II. Working with the Parks and People Foundation, Pratt Library, United Way, and Port Discovery, we also helped educate residents, including young people, on healthy lifestyle choices.

This is the largest commitment the Foundation has pledged at one time toward a specific initiative. T. Rowe Price has also partnered with grantees to identify volunteer opportunities for our associates to offer their time and talent.



Strength to Love Farm II in West Baltimore received a grant to help increase healthy food availability.

"T. Rowe Price has been a true partner to Kiva and instrumental in expanding our impact. They have been invaluable in helping establish our local presence in Baltimore by providing financial support as well as introducing us to local community members and potential partners. Their comprehensive approach to enabling connected capital, fostering collaboration, and driving impact demonstrates the firm's unwavering commitment to supporting communities and helping others succeed."



PREMAL SHAH

President and Co-Founder; Kiva

Human Services



Building Capacity Among Community Partners

T. Rowe Price knows the critical role finances play for both families and communities and recognizes other important factors and services that contribute to stability and well-being. That's why we are committed to supporting programs that provide family and emergency services, housing, food access, and educational and job training opportunities to achieve self-sufficiency.

We partner with organizations including Habitat for Humanity, United Way Worldwide, Goodwill Industries, the Ronald McDonald House, Feeding America, Catholic Charities, the Salvation Army, and other social service organizations that help meet the critical, basic needs of families and communities and provide opportunities to improve economic and social outcomes.

FOSTERING SMALL BUSINESS GROWTH THROUGH BLOCAL

T. Rowe Price has called Baltimore its hometown since our founding in 1937, and we are committed to continuing our support of the city and surrounding area. Following the unrest in 2015, we expanded our commitment to the area by joining the BLocal initiative led by Johns Hopkins University with 23 other Baltimore-area corporations to build capabilities within the community and facilitate long-term economic development in some of the most underserved neighborhoods across the city. We recognized that of the nearly 40,000 small businesses in Baltimore, approximately 12,000 are considered disadvantaged due to lack of capital and other critical resources. T. Rowe Price aims to stimulate economic growth by providing disadvantaged small businesses with development opportunities.

To achieve this, we partnered with Kiva to invest in small businesses by providing access to capital. In addition, 2016 was the first of a three-year, \$225,000 commitment to fund a full-time position at the Small Business Resource Center to provide the infrastructure needed to increase the growth and success rate of small businesses.



Grantees attend the T. Rowe Price Foundation's Capacity Building series.

Throughout 2016 and 2017, the T. Rowe Price Foundation held a series of capacity building workshops for nonprofits in Baltimore, which were attended by more than 665 participants from over 170 local organizations. Highlighting T. Rowe Price's commitment to provide more than just funding to the nonprofits supporting our communities, the series aims to help nonprofits improve and strengthen the delivery of their services. The sessions were facilitated by industry experts and focused on key capacities, such as leadership, adaptability, management, and fundraising, as well as emerging trends.

In 2016, each half-day workshop was attended by approximately 85 grantee organizations and offered applicable tips and practical tools. In 2017, the Foundation hosted a Leadership Symposium for not only grantees, but also nonprofits that had applied for Foundation funding and were denied. The symposium focused on the future direction of the nonprofit sector. Additionally, an Education Summit was hosted for grantees specifically focused on education, and the session shared insights on developing a growth mind-set and sense of student belonging.

According to post-session surveys, attendees found the workshops very useful and relevant for their organizations. "That this level of training is available is simply amazing," said one anonymous survey respondent who participated in the series. "T. Rowe Price is to be commended for this level of investment. It truly says to the development community how much the firm believes in their capacity and interest in change."

"Baltimore has a lot of smaller nonprofits that could be compared with small-cap stocks in the investment world," said John Brothers, president of the T. Rowe Price Foundation. "As we invest time and resources in these organizations, our hope is to help them scale and grow into what would be the equivalent of mid-cap and large-cap stocks. This will help them take their mission to the next level and become architects of positive change in the community."

SUPPORTING OUR VETERANS

We are proud to support the individuals and their families who have served our countries bravely—our military and veterans.

To celebrate Veterans Day in 2017, T. Rowe Price partnered with the United Service Organizations (USO) to bring a touch of home to service members in remote areas around the world.

Nearly 1,000 associates across T. Rowe Price's offices in Tampa, Colorado Springs, and Baltimore volunteered to create more than 14,000 care packages for service members. Sponsored by T. Rowe Price, the USO care packages were filled with carefully curated snacks, and toiletries, which were selected based on feedback from service members.

In Frankfurt, Germany, T. Rowe Price visited the nearby U.S. military base and gave out gift cards, food, and drinks to service members and their families.

Additionally, at its annual client conference, T. Rowe Price Retirement Plan Services' clients and associates assembled 150 care packages for deployed service men and women.

RESPONDING TO NATURAL DISASTERS

The 2017 hurricane season was the first on record to produce three Atlantic hurricanes making landfall in the U.S. or one of its territories as a Category 4, or greater, storm. To support the communities affected, T. Rowe Price hosted two campaigns to raise funds for disaster relief efforts. The T. Rowe Price Foundation also offered a challenge grant for each, effectively doubling—then tripling—associates' charitable gifts.

To support community members in Houston affected by Hurricane Harvey, T. Rowe Price associates donated nearly \$100,000 to the Greater Houston Community Foundation. With matching gifts from the T. Rowe Price Foundation's challenge grant, the firm's contribution to the nonprofit was more than \$250,000.

Shortly after Hurricane Harvey struck Houston, Hurricanes Irma and Maria hit the Caribbean and Florida. T. Rowe Price partnered with the Center for Disaster Philanthropy to determine how best to allocate funds across affected communities and address their short- and long-term needs. By hosting a second challenge grant for associates, T. Rowe Price raised nearly \$250,000 for the Center for Disaster Philanthropy, bringing the firm's total contribution toward communities affected by the 2017 hurricane season to nearly \$500,000.



Tampa-based associates create care packages for service members.



Baltimore-based associates create care packages for service members.

Arts and Culture

T. Rowe Price recognizes the important role that the arts and culture play in fostering vibrant communities. To understand how we can effectively support arts and culture, we evaluated partners' programs as well as emerging initiatives to determine where we could make the greatest impact. As a result, we have focused our commitment on advancing community development through arts and cultural experiences. To do this, we are committed to supporting institutions and organizations that offer enrichment and educational experiences and nurture lifelong learning for children, families, and communities.

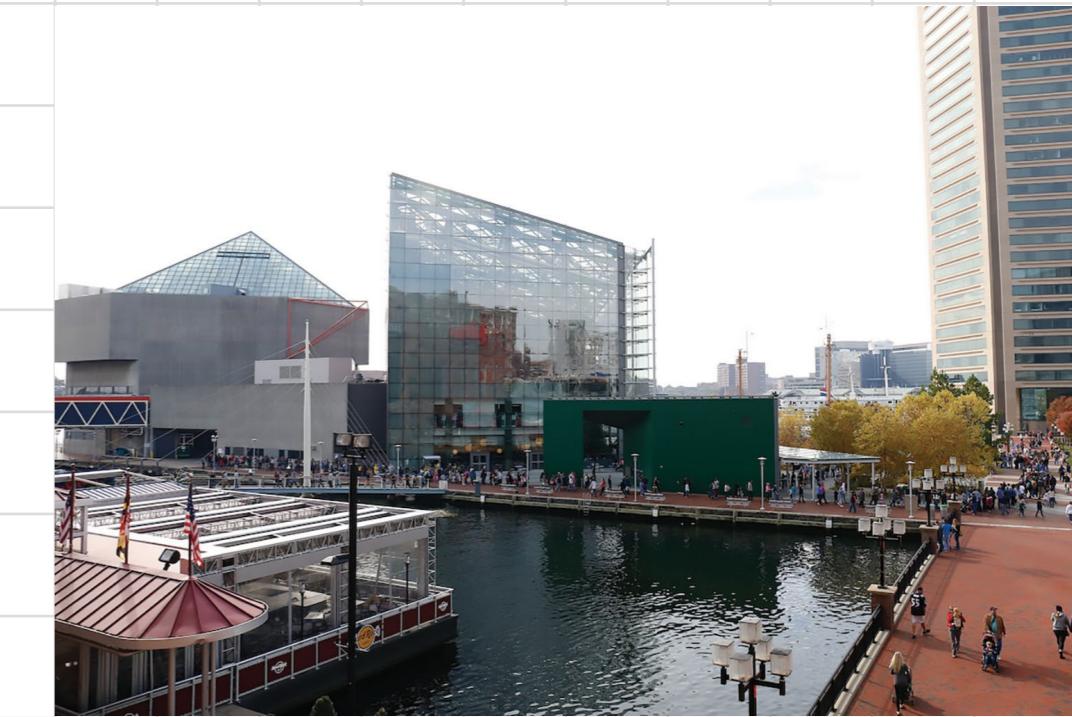
EXPANDING ACCESS TO ARTS AND CULTURAL EXPERIENCES

We partner with cultural institutions such as the Baltimore Children's Museum, the Maryland Zoo, and other local organizations to expand access to cultural discovery for children and their families.

T. Rowe Price supports the Traveling Science Program at the Maryland Science Center, which brings exciting hands-on, engaging science fun into schools and neighborhoods that otherwise would not have access to these experiences. We also partner with the Baltimore Museum of Art (BMA) to host the BMA Outpost at Lexington Market—a roving public space and small, interactive museum that brings the art of the BMA to the community in public spaces. In 2016, we also made it possible for more than 700 students in West Baltimore to visit the National Museum of African American History and Culture.

ADVANCING ARTISTIC COMMUNITIES

T. Rowe Price partners with arts organizations to help advance local creative communities. We support WombWork Productions and Single Carrot Theatre, among others, to bring social change art to Baltimore and cultivate strong performance art programming about the issues that matter most to our communities. In 2016, we became a major funder of the new Baltimore Creatives Acceleration Network (B/CAN) initiative from the Maryland Institute College of Art. Launched in 2016, B/CAN is a multi-sector, citywide initiative that aims to foster a vibrant and inclusive creative economy by supporting creatives throughout the life-span of their careers, providing support for professional advancement including business, financial and legal planning as well as networking opportunities and pop-up access to services and mentors suited to their level of interest and specific needs.



The lines to visit the National Aquarium on Pay What You Want Day wrap around the building and extend through Baltimore's inner harbor.

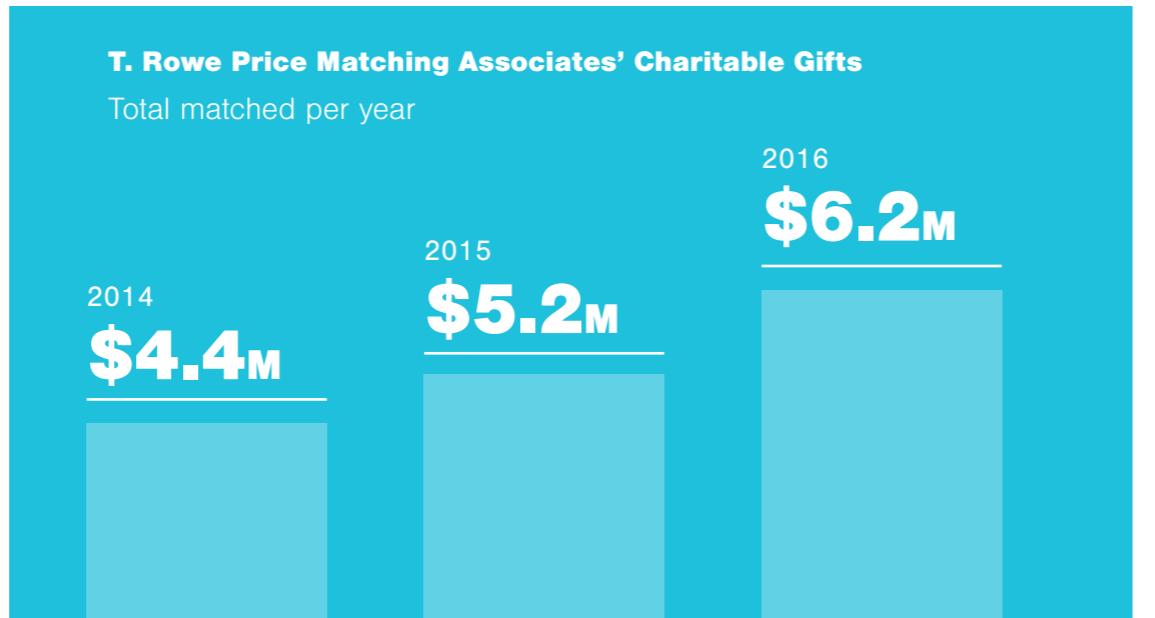
Bringing the Wonders of the National Aquarium to Baltimore and Beyond

As inaugural members of the National Aquarium in 1981, T. Rowe Price has been a key supporter of this national treasure for over 36 years. In that time, millions of visitors have had the opportunity to experience the wonder of the facility, dive into hands-on environmental education, and learn to protect all aquatic habitats. In 2015, we signed on as the aquarium's lead sponsor of community engagement and presenting sponsor of the annual Pay What You Want Day event, where guests can choose their admission fee. The event was promoted in community centers within Baltimore's low-income neighborhoods as part of the firm's efforts to broaden access to educational experiences and cultural institutions throughout the city. Over the past three years, this event has welcomed nearly 25,000 visitors, and the average admission prices paid were between \$2 and \$6 per person, when the usual adult admission price is \$39.95.

Empowering Associate Service and Giving

Our investment in communities is reflected by our associates' commitment to giving and serving. Their contributions are instrumental to our impact, locally and collectively, and they serve as our ambassadors, embodying our unwavering commitment to ensure secure futures for our communities.

T. Rowe Price supports our associates' philanthropic interests in the community. Through our Global Matching Gift Program, the T. Rowe Price Foundation doubles the impact of associate donations, which totaled \$6.2 million in 2016, up from \$5.2 million in 2015. The program also encourages volunteer service by awarding grants to organizations that associates support.



In addition to employee giving, T. Rowe Price provides opportunities for associates to make an impact by volunteering with local organizations that align with their interests and passions. In 2016, 28% of associates volunteered 46,000 hours serving community needs such as hunger alleviation, youth development, animal welfare, and other causes. More than 300 associates also serve on the Boards of nonprofit organizations, furthering their missions.

In 2016, associates' workplace giving was at an all-time high of \$7.7 million.

Associate Impact in Communities

- **62%** associates participated in CSR initiatives
- **\$7.7M** through workplace giving
- **46,000** volunteer hours
- **300+** associates served on nonprofit Boards



Associate Spotlight: **KIMBERLY STOKES**

Vice President, T. Rowe Price

Honors Her Father's Legacy Through the Global Matching Gift Program

Kimberly Stokes, a U.S. taxable bond credit analyst in our Fixed Income Division, has always been passionate about education, community outreach, and helping others—values that were largely instilled by her father, Dr. Charles A. Stokes. When Dr. Stokes passed away in 2007, Kim decided the best way to honor him would be to give back to the school to which he dedicated so much of his time, Bowie State University, through a scholarship fund in his name. The Dr. Charles A. Stokes Memorial Scholarship fund has now reached over \$100,000 and was awarded for the first time in 2017. “Through T. Rowe Price’s matching gift program, I grew the fund and reached endowed status more quickly than I otherwise would have been able,” Kim said. “I’m grateful and proud to work for a company that enables me to pursue my passions and support the causes that matter most to me through workplace giving.” Kim is co-head of MOSAIC’s Onboarding and Community Outreach Committee and served on the T. Rowe Price Foundation Education Workgroup. She is also a Board member for the Prince George’s Child Resource Center.

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The long-term sustainability of our business requires thoughtful, disciplined environmental practices.

Our approach, guided by the Environmental Sustainability Committee, balances the evolving operations of a global business with continuous improvement of our environmental management practices to reduce our impact on the planet.



Actively Improving Our Environmental Performance

We have invested in new tools to help expand our environmental management capabilities, including our ability to measure and report progress, such as Planon, a software application to track progress, and Deck Monitoring, a cloud-based measuring and reporting tool for our solar panel production. Our associates are a critical part of our efforts to reduce waste, increase recycling, and establish more sustainable work environments.

Download our [Environmental Sustainability Policy](#) to learn more about our commitment to making a positive impact on the environment.

Carbon Disclosure Project

We have participated in the Carbon Disclosure Project (CDP) since 2005. In 2016, we received a B CDP score, and a C in 2017.

Awards + Rankings

- Awarded BREEAM Certification for Toronto Office in 2016
- Awarded LEED Gold Certification for Hong Kong Office in 2016
- Newsweek Green Ranking—171 out of 500

Greenhouse Gas Emissions

Between 2010 and 2016

- 4 %
emissions

+51 %
in associate population

- 31 %
emissions per associate

MANAGING GREENHOUSE GAS EMISSIONS

Our greenhouse gas (GHG) calculations are based on the World Resources Institute/World Business Council for Sustainable Development Corporate GHG Protocol, the industry standard for GHG accounting and reporting. We engaged ICF International, a third-party professional services firm with expertise in carbon measurement and reporting, to calculate GHG emissions inventory and comparisons. Cventure, another third-party firm, verified the quality and totality of GHG inventory data.

Greenhouse Gas Emissions

Scope*	2010	2011	2012	2013	2014	2015	2016	% Change 2010–2016	Unit
Total Scope 1, 2, + 3 Emissions	43,172	43,631	37,554	40,458	42,005	43,519	41,561	-4%	MT CO ₂ e
Scope 1, 2, + 3 Emissions per Associate	8.9	8.2	7.1	6.7	6.6	6.4	6.1	-31%	MT CO ₂ e/ Associate
Scope 1, 2, + 3 Emissions per Sq Foot	19.2	19.0	16.4	17.6	18.5	19.0	18.0	-6%	MT CO ₂ e/ Thou. SF
Scope 1, 2, + 3 Emissions per Revenue	18.2	15.9	12.4	11.6	10.5	10.4	9.8	-46%	MT CO ₂ e/ MUSD

*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 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.



DESIGNING ENVIRONMENTALLY FRIENDLY WORKPLACES

The Leadership in Energy and Environmental Design (LEED) building rating system is designed to promote sustainable construction and renovation practices. Our goal is to obtain LEED certification or other industry-leading certifications, such as Building Research Establishment Environmental Assessment Method (BREEAM), for all new construction and major renovation projects. In 2016, 40% of our footprint achieved sustainable certification, with 727,302 total square feet. We expect to achieve additional certifications with ongoing renovation and expansion work as our business requires.

REDUCING WASTE AND INCREASING RECYCLING

Since 2010, we have made significant progress in reducing waste and increasing recycling through the following initiatives:

- > Streamlining recycling in 98% of our offices worldwide
- > Extending composting across our owned U.S. facilities
- > Expanding energy recovery programs, which divert waste from landfills to generate energy

USING RENEWABLE ENERGY TO POWER OUR CORPORATE CAMPUS

In 2016, our Owings Mills campus began generating electricity using more than 7,000 solar panels, producing more than 2 million kWh of electricity and avoiding more than 934 MT CO₂ equivalent to:



CO₂ emissions from 178 homes' energy use for one year

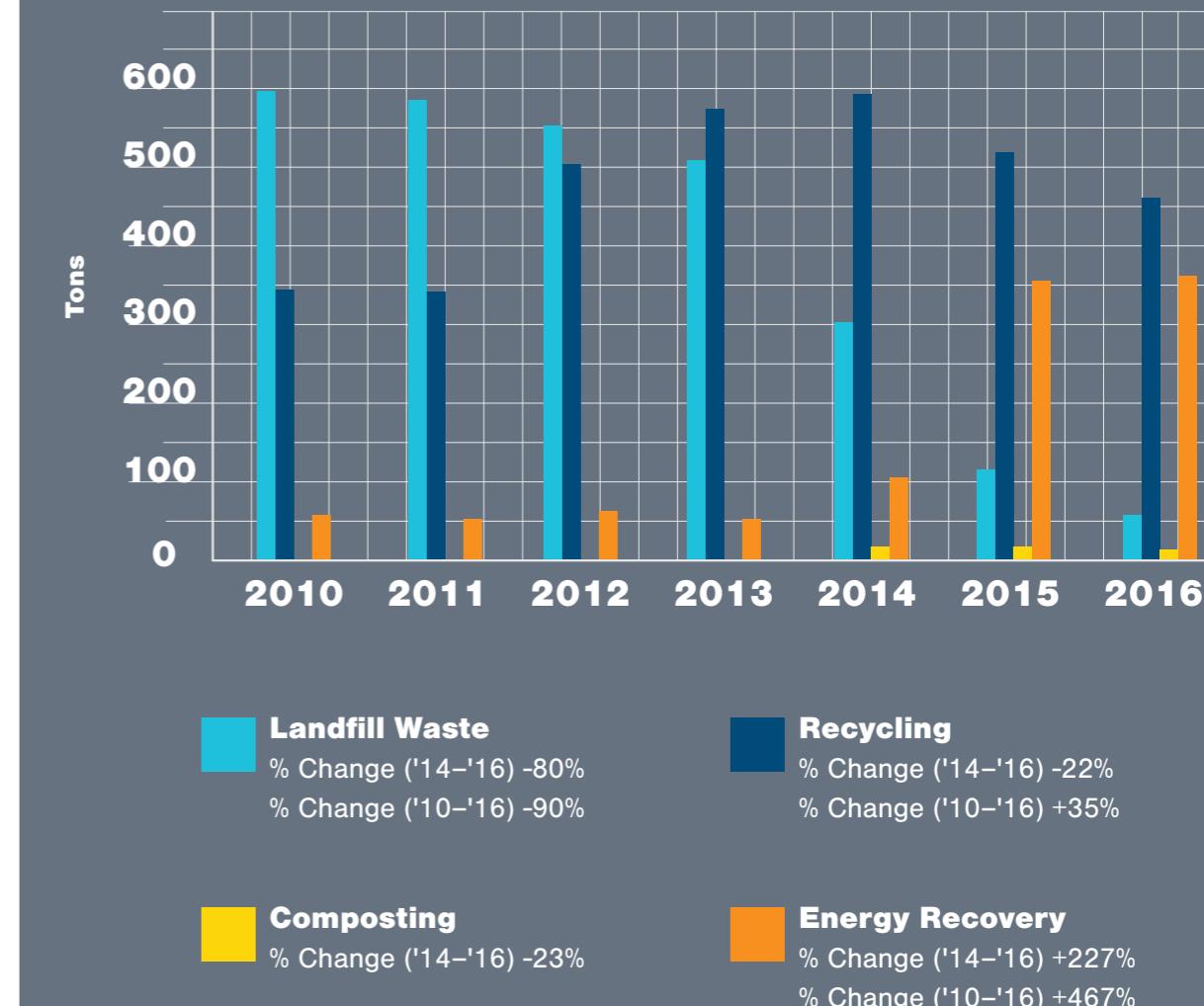


GHG emissions from 357 passenger vehicles driven for one year



Carbon sequestered by 43,743 tree seedlings grown for 10 years

Waste Management Performance, 2010–2016



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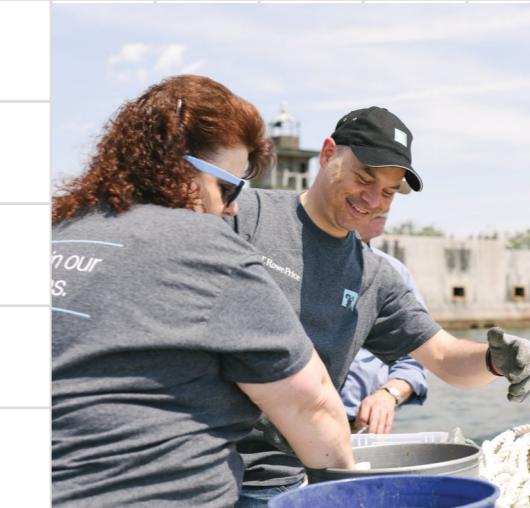
ENGAGING ASSOCIATES TO CULTIVATE SUSTAINABLE BEHAVIORS

All of our major global locations have associate-led sustainability teams that identify opportunities to engage associates in activities to foster a more sustainable workplace, develop recommendations, and implement ideas on site.

"I have always been passionate about the environment and sustainability, so joining the Maryland sustainability team was an exciting opportunity for me to make an impact. Some of my favorite projects are our associate garden, on-site community supported agriculture program, and Earth Day activities. We are also thinking about how to promote waste reduction on our campuses and in the Baltimore community."

MAVIS FERNANDES

Co-lead of Maryland Sustainability Team,
T. Rowe Price



Growing Fresh Produce for the Community

One example of a sustainability team-led initiative is the gardens at our corporate campuses in Maryland and Colorado. Associate volunteers plant, water, weed, and harvest produce throughout the growing season and donate to local organizations that distribute garden-fresh produce to those in need. In 2016, the gardens produced more than 180 pounds of fresh fruits and vegetables to help fight hunger in these communities.

Raising Oysters for a Healthy Harbor

The oyster population, a vital part of the local Chesapeake Bay ecosystem, has been decimated by pollution, over-harvesting, and disease. To combat this problem, T. Rowe Price was a founding corporate partner of the Great Baltimore Oyster Partnership in 2013. T. Rowe Price's associates worked toward growing and planting 5 million oysters in Baltimore's Patapsco River by 2020. In 2016, associates released nearly 24,000 young oysters at a sanctuary near Fort Carroll in the Patapsco River. The T. Rowe Price Foundation also donated \$15,000 to the Waterfront Partnership, specifically to support the Oyster Partnership and volunteer efforts of the firm's associates.

Preserving Waterways

In 2016, the Colorado Springs Sustainability team worked with the City of Colorado Springs to officially adopt a creek along the Cottonwood Creek trail near the firm's campus. The program protects and improves the water quality of the community and preserves the environment by keeping trails and waterways clean.

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Leadership

T. Rowe Price's leadership team is distinguished by experience, stability, and integrity. They ensure that T. Rowe Price remains committed to creating long-term value for our clients, and they set the tone for finding and developing results-driven associates who embrace our client-centered philosophy.

Our leadership team also nurtures a diverse, collaborative culture, where every associate's ideas are valued and respected. To us, this is more than a leadership model—it maintains our integrity and investment management excellence well into the future.

BOARD OF DIRECTORS

T. Rowe Price is governed by a Board of Directors, which is elected by our shareholders. As the ultimate decision-making body for T. Rowe Price, the Board is responsible for advising and monitoring senior management. The Board also reviews and establishes procedures to help ensure that the business always upholds the highest legal and ethical conduct.

MANAGEMENT COMMITTEE

With an average of 16 years with the firm, our Management Committee is composed of eleven seasoned experts who ensure we put clients first, today and tomorrow. See our [committee members' profiles](#) for more details.

STEERING COMMITTEES

In addition to the Management Committee, we have a system of steering committees to set strategic policy and direction for broad activities of the firm, and to oversee various aspects of risk management. Steering committees include: Ethics Committee, U.S. Equity Steering Committee, Fixed Income Steering Committee, International Equity Steering Committee, Asset Allocation Steering Committee, Risk Management Oversight Committee, Management Compensation Committee, and Product Strategy Committee.



FRONT ROW (LEFT TO RIGHT): Robert F. MacLellan, Nonexecutive Chairman, Capital Partners, Dwight S. Taylor, Retired President COPT Development & Construction Services, LLC, Olympia J. Snowe, Chairman and Chief Executive Officer, Olympia Snowe, LLC, Mark S. Bartlett, Retired Managing Partner, Ernst & Young, Anne Marie Whittemore, Partner, McGuireWoods LLP, Alan D. Wilson, Retired Executive Chairman, McCormick & Company, Inc., Edward C. Bernard, Vice Chairman.

BACK ROW (LEFT TO RIGHT): William J. Stromberg, President and Chief Executive Officer, Mary K. Bush, Chairman, Bush International, LLC, Brian C. Rogers, Nonexecutive Chairman, Freeman A. Hrabowski III, President, University of Maryland, Baltimore County, Sandra S. Wijnberg, Executive Advisor, Aquiline Capital Partners, H. Lawrence Culp, Jr., Senior Lecturer, Harvard Business School.

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ABOUT THE REPORT

Accountability and transparency are integral to our commitment to be a trusted partner to our clients, associates, and communities, and are critical for building confidence in our firm. In line with our timetable of publishing comprehensive Corporate Social Responsibility reports biannually and updates in the intervening years, this report spans the 2015–2017 calendar years. Issues considered material to our business and incorporated in this report include: compensation and benefits, data security and customer privacy, risk management, diversity and inclusion, business ethics, transparency and our impact on the community and environment. Greenhouse gas emissions were verified by Cventure LLC. This report is a companion to our T. Rowe Price [2016 Annual Report](#) and [2016 Proxy Statement](#).

The information in this report reflects both the U.S. and international operations of the T. Rowe Price Group, Inc. companies, with financial data presented in U.S. dollars. Together, they communicate how our business conduct affects stakeholders.



LEARN MORE

For additional information on the programs, policies, and practices outlined in this report, please visit the following sections of our website:

Leadership

Policies

Diversity & Inclusion

Corporate Responsibility

T. Rowe Price Foundation

To learn more about our commitment to our clients, associates, and communities, visit our website at [troweprice.com](#). As we continue to strengthen and integrate our CSR efforts, we invite your feedback, insights, and comments and welcome you to email us at CSR_Report@troweprice.com.

T. Rowe Price Final Verification Statement

Cventure LLC | April 12, 2017

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EMISSIONS INVENTORY

Global, corporate-wide FY2016 (January 1, 2016–December 31, 2016) 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 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 2016 GHG emissions inventory and methodology were developed by ICF International, according to ICF's 2016 Corporate GHG Inventory excel workbook tool. Raw data collection activities for boundary determinations and characteristic and activity data were performed by T. Rowe Price and Jones Lang LaSalle.

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 reporting and those voluntary efforts for which there are no requirements for GHG emissions compliance obligations, as is the case for T. Rowe Price. It is intended to support baseline determinations and enable assessments of performance of GHG reduction initiatives. This verification effort covered T. Rowe Price's FY2016 GHG emissions inventory. Cventure was not involved in any of the GHG emissions-related data collection, or 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 decisions 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. A site survey/data collection meeting was conducted at T. Rowe Price's Owings

REPORTING ENTITY: T. Rowe Price

CONTACT: Donald Boos

LEAD VERIFIER: Kevin L. Johnson, Cventure LLC

Mills, MD campus on March 28, 2017, with the GHG inventory manager and data coordinator. All T. Rowe Price facilities and GHG emissions Scopes reported within the operational and verification scope boundaries 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 GHG emissions inventory, with purchased electricity and natural gas monthly billing records being examined for each of them. Root audit data records were reviewed for travel agent-booked employee business air travel.

Error checking tests were performed on the data to assess the information collected, including missing data, limits and reasonableness, units of measure, and re-computation cross-checks.

No material errors or omissions were identified during the course of this verification. Two minor, immaterial discrepancies between root data documentation and the GHG inventory report were identified by Cventure during the verification; these were corrected by T. Rowe Price/ICF at that time. Boundary checks included a review of the 2016 annual report and lease management database reports. Select CO₂ and HFC emission factors and emissions calculations were checked. Emissions

aggregation calculation checks were also made, and compared against inventory reported data. No material errors or misstatements were found in those types of checks. We believe our work provides a sound basis for our verification opinion.

OPINION

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 FY2016 GHG emissions inventory, Cventure has found no evidence that T. Rowe Price's GHG assertion is not presented fairly and accurately. Cventure has verified the information received as being consistent with ICF's GHG inventory tool. Cventure found that the GHG inventory emissions estimate conforms to generally accepted GHG accounting standards, and is 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 emissions, and to be free from material misstatements or omissions. Cventure verified a total of 41,561 metric tons of CO₂ equivalent emissions (1,086 Scope 1, 34,065 Scope 2, and 6,410 Scope 3) with a limited level of assurance.



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