



2018
**CORPORATE
RESPONSIBILITY
REPORT**

values that inspire confidence



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INVESTING IN OUR VALUES

A LETTER FROM OUR CEO

The desire to bring about positive change should drive every organization. I can tell you that it plays an integral part in every facet of T. Rowe Price's culture—guiding how we operate.

That's why, on behalf of more than 7,000 associates worldwide, I am excited to share our corporate responsibility results for 2018. Through this report, you can see how we not only help our clients achieve their investment goals around the world, but also how we fund and support sustainable business practices.

Here are just some of the ways we worked to create positive change in 2018:

- We continue to support the quality of life of countless people around the globe. Our investment strategies help pension plans fund workers' retirements and families save for college. We were encouraged to see that retirement plan deferral rates in the U.S. hit a 10-year high at 8.6% in 2018 among the 2.1 million retirement plan participants we are proud to serve.
- To deepen our understanding of the sustainability of the companies in which we invest, we continue to invest in our capabilities to understand environmental, social, and governance (ESG) investment considerations. In 2018, we hired three additional dedicated ESG analysts and continue to invest in proprietary tools that proactively screen the responsible investing profile of a company.

- We launched two new programs to attract, support, and promote diverse associates. The LEAD and Women in Sales programs aim to attract and develop diverse talent.
- We continue to reduce our environmental footprint and achieved an 11.5% reduction in greenhouse gas emissions and a 91% reduction in waste since 2010.
- In our hometown of Baltimore, our Foundation spearheaded a partnership with more than 10 public and private organizations to launch One Book Baltimore. The initiative helped promote citywide conversations about peace and anti-violence and aimed to engage community members in a meaningful open dialogue about their experiences so that they may ultimately see a new path for themselves.

At T. Rowe Price, we never stop looking for fresh perspectives and new ways to deliver the absolute best to our clients, associates, and communities. Thank you for your interest in learning more about our corporate responsibility initiatives. We look forward to building on our progress.

Sincerely,

William J. Stromberg
President and CEO

RESPONSIBILITY SNAPSHOT

Our values are supported and promoted by our associates every day—reinforcing our commitment to financial security, unique perspectives, collaboration and diversity, community, and environmental sustainability. Here's how T. Rowe Price is making a difference.

11M
people reached
through financial
education efforts
since 2009¹

Forbes
**America's Most
Trustworthy
Financial
Companies²**

42%
of our real estate was
**environmentally
certified**

50%
of senior
level hires
were diverse³

3.5M
retirement plan
participants
and individual
investors served

\$121M
given by the
firm's Foundation
since inception
(1981)

40,000+
volunteer hours
with +350
associates serving
on nonprofit boards

\$25.3M
total firm giving⁴

174K
hours
of associate
training provided

-45.3%
in greenhouse
gas emissions
per associate
since 2010

Our culture attracts talent who have a desire to serve others. This goes beyond our client-first approach, which is ingrained in the firm's ethos, and extends to how we support our communities and each other.

— RENEE CHRISTOFF, HEAD OF GLOBAL ASSOCIATE
ENGAGEMENT + CORPORATE RESPONSIBILITY, T. ROWE PRICE

¹ Total reach of websites, online games, apps, exhibits, programs with Scholastic and Junior Achievement, and sponsored events.

² From Forbes® 2017 Forbes. All rights reserved. Used under license.

³ Senior roles are defined as people leaders and/or individual contributors with significant business or functional responsibility.

⁴ Includes direct grants, matching gifts, associate donations, sponsorships, and community and business memberships.

REPORTING ON OUR IMPACT

We aspire to be a trusted partner to our clients and have a positive impact on society in the following ways:

- Help clients achieve their long-term financial goals
- Encourage innovation and new ideas
- Build an inclusive culture and collaborative relationships
- Contribute to our communities and beyond
- Generate meaningful environmental efficiencies

This report outlines some of our efforts that help to support these goals.

This report also reflects our commitment to support select United Nations Sustainable Development Goals (SDGs) and the 2030 global agenda. In 2015, the United Nations adopted 17 SDGs as part of the agenda to end poverty, protect our planet, and ensure prosperity. T. Rowe Price

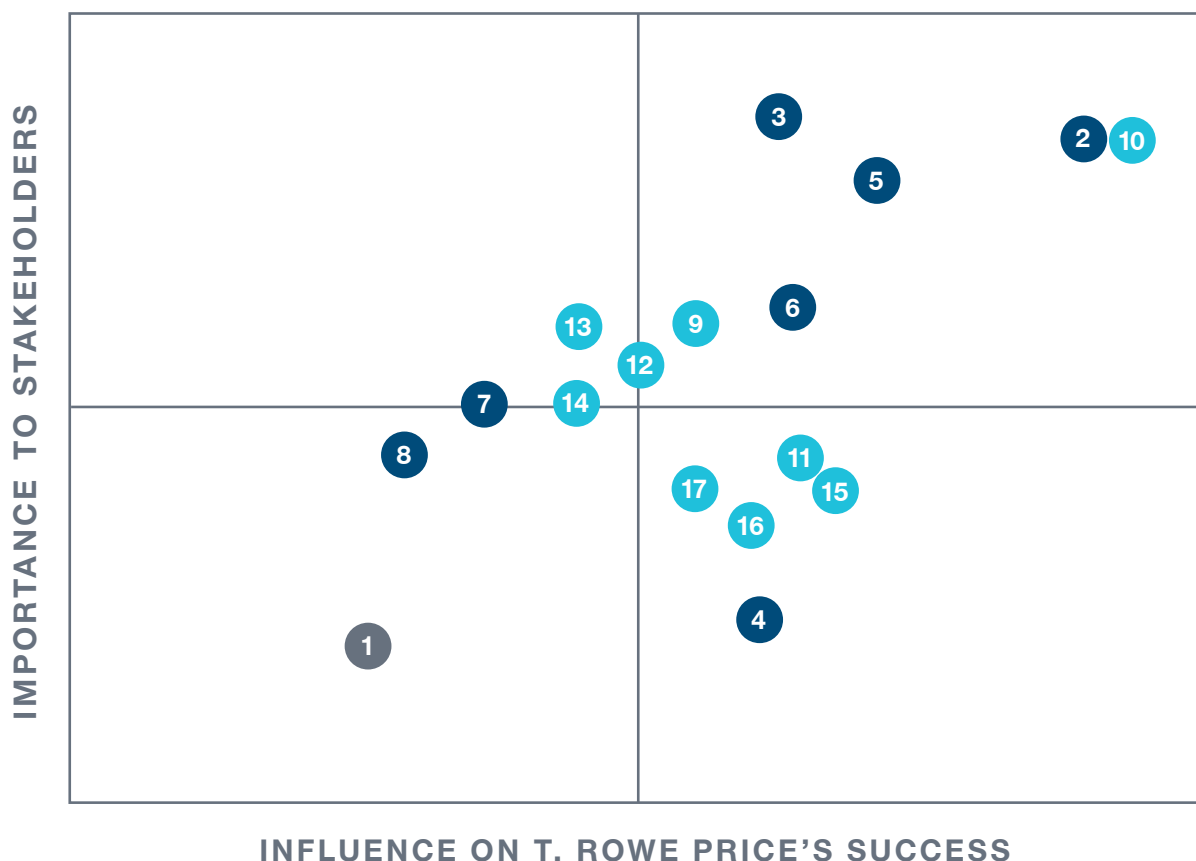
works to address the goal of Quality Education through our daily interactions with our clients, colleagues, and communities. As we strive to make a greater global impact, we find ourselves indirectly affecting select areas of the goals of Good Health and Well-Being; Gender Equality; Decent Work and Economic Growth; Industry, Innovation, and Infrastructure; Reduced Inequalities; Responsible Consumption and Production; Climate Action; and Peace, Justice, and Strong Institutions. Throughout this report, you'll see the corresponding SDG icons at the bottom of select pages to highlight where our efforts support these goals.

All data in this report are as of December 31, 2018, or represent the 2018 calendar year, unless otherwise noted.



ABOUT THIS REPORT

We want to understand the issues that matter most to our stakeholders. For deeper insight, we conducted a materiality assessment in accordance with the Global Reporting Initiative Standards for defining report content and with the advice and interpretation of KPMG LLP. The analysis identified and weighted on a relative basis issues that were important to stakeholders and to the business. Because what matters to our stakeholders matters to us. Topics that fall into the top-right quadrant and are listed in bold font receive more attention throughout this report.



ENVIRONMENT

GHG Emissions 1

SOCIAL

**Employee Development,
Attracting and Retaining Talent** 2
Diversity and Inclusion 3
Employee Engagement 4
Data Security 5
Customer Welfare 6
Financial Literacy 7
Human Rights 8

GOVERNANCE

ESG Investing 9
Fiduciary Responsibility 10
Legal and Regulatory Environment 11
Climate Risk and Opportunity Management 12
Transparency and Disclosure 13
Stakeholder Engagement 14
Corporate Governance 15
Compensation 16
ESG Risk Management 17

A woman with curly hair is looking down at a smartphone. The image is overlaid with a teal color. The text "FINANCIAL SECURITY" is written in white, bold, uppercase letters across the middle of the image.

FINANCIAL SECURITY

Just as we help clients achieve their long-term investment goals, we also support the financial well-being of our associates and help build financial capabilities in our communities.

TOWARD FINANCIAL SECURITY

According to a recent T. Rowe Price study,¹ investors across generations list peace of mind and quality of life as top financial priorities.

Our mission at T. Rowe Price is simple: help clients around the world achieve their long-term financial goals. Whether helping an institutional client fund their pension plan for employees or helping an advisor support their client's transition into retirement, our investment management capabilities support the financial goals and quality of life for people around the globe.

WORKING TO BUILD RETIREMENT SECURITY IN THE U.S.

Setting aside savings is not always an easy task, so we look for ways to broaden access to investment strategies and make it easier to save. Automating investment contributions and asset allocation in the U.S. can be the most effective approach to help investors reach their goals and achieve a secure financial future. For more than a decade, we have encouraged retirement plan sponsors to automatically enroll their employees in a company's retirement plan and escalate their contributions.

Thanks to increased adoption of these features, retirement plan deferral rates hit a 10-year high in 2018, with participants in plans managed by T. Rowe Price contributing 8.6% of their pretax salary toward retirement, on average.² While this still represents a shortfall from the recommended 15% or more, it illustrates progress. Additionally, loans from retirement plans reached a six-year low, while hardship withdrawals fell for the ninth year in a row.

To simplify asset allocation choices, since 2002 we have offered a suite of solutions-based products, such as retirement date portfolios and college enrollment-based portfolios.

In one client case study, we saw that two-thirds of retirement plan participants who made their own investment selections had asset allocations inconsistent with recommendations for their age. In fact, 9% of participants were either 0% or 100% invested in stocks. Solutions-based offerings make the investment selection process easy for investors and help reduce inappropriate asset allocation selections.

2018 STATISTICS

We Served:

- 4,600 retirement plans
- 2.1 million retirement plan participants
- 1.4 million direct individual investors

We Managed:

- \$653.5 billion in total retirement and tax-deferred annuity assets
- \$13.3 billion in college savings assets

AWARDS

- **2018 Bronze Winner for Mega Plans:** *PLANSponsor's*³ Defined Contribution Survey Standouts
- **2018 Gold Medal Winner:** Corporate Insight's Retirement Plan Monitor Awards
- **2018 2nd Place Winner:** *Pensions & Investments* Eddy Awards, Special Projects Category
- **2018 3rd Place Winner:** *Pensions & Investments* Eddy Awards, Ongoing Investment Education Category
- **2018 Best Overall Fund House and Best Fixed Income Fund House:** Morningstar UK

Past performance is not a reliable indicator of future performance.

¹ The 2018 T. Rowe Price Retirement Savings and Spending study was a representative national study conducted online between July 24 and August 14 of 3,005 adults age 21+, never retired, and currently contributing to a 401(k) plan (or eligible to contribute) with a balance of \$1,000+. Additionally, 1,005 adults who have retired with a Rollover IRA or left-in-plan 401(k) balance were interviewed.

² Plan-weighted average.

³ Based on 2018 survey of 228 organizations with more than \$1 billion in defined contribution plan assets. DC Survey Standouts (Bronze) recognition given to recordkeeper receiving the 3rd most "Best in Class" service awards.

ETHICS AND INTEGRITY, FIRST AND FOREMOST

We strive to conduct our business with the highest level of integrity and ethics, not just because it is the right thing to do, but because we believe it will drive the best results for our clients. Here are some of the policies and programs in place that continue to promote that culture at T. Rowe Price.

CODE OF ETHICS

We adopted our Code of Ethics and Conduct (Code) more than 30 years ago, and it has been updated more than a dozen times since then. The Code applies to all company associates as well as outside contractors and anyone providing services for the firm. All associates must participate in annual training that promotes honest conduct and adherence to the Code. It is maintained and enforced by the Ethics Committee.

WHISTLEBLOWER PROGRAM

Our whistleblower program provides associates with the opportunity to submit a complaint without the fear of dismissal or retaliation. T. Rowe Price champions this program through the Code, the firm's intranet site, and annual training. Employees can file complaints in writing or through a toll-free, 24/7 anonymous hotline.

INDICES AND RANKINGS

- MSCI ESG Leaders Index
- MSCI SRI Index
- Sustainalytics—ranked in the 81st percentile (scored 64 out of 100)
- FTSE4Good Index

ANTI-BRIBERY POLICY

Our Code also prohibits the payment of bribes, kickbacks, or other illegal practices, and we maintain a strict global compliance program to ensure adherence with the policy. As part of our compliance program, we provide guidelines for associates regarding acceptable business activities and provide an anonymous hotline where associates may report any concerns regarding illegal payments. 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. Our executive compensation program recognizes both short- and long-term success, and our focus is to reward intermediate- and long-term performance of our top management. Our compensation programs are also designed to reward senior executives for their contributions to T. Rowe Price's culture, risk management, and corporate reputation and to the quality and collaboration of our associates. The Executive Compensation and Management Development Committee oversees our compensation, talent development, and succession planning.

CORPORATE AFFAIRS AND CAMPAIGN CONTRIBUTIONS

We focus our public policy efforts on areas affecting our clients. Leaders across the firm's business units, along with the Legal and Compliance Department, work closely to determine when and how to engage with lawmakers, regulators, trade associations, or other third parties. We also adhere to rules and regulations that limit the political activities of investment advisors.

The inclusion of T. Rowe Price Group, Inc. in any MSCI Index, and the use of the MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, or promotion of T. Rowe Price Group, Inc. by MSCI or any of its affiliates. The MSCI indices are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



ENGAGING ON KEY INDUSTRY ISSUES

In addition to our internal efforts, T. Rowe Price seeks to promote ethics and integrity across our industry by participating in various organizations and through working with industry regulators. Some of the organizations we are involved with include:

- 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
- Investment Management Education Alliance
- Investor Stewardship Group
- Japan Stewardship Code
- Retirement Leadership Forum
- Society for Corporate Governance
- 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 regularly monitors and evaluates public policy issues affecting our business in order to enhance the integrity and structure of our industry.





A FOCUS ON SECURITY AND PRIVACY

T. Rowe Price is committed to protecting client information and protecting access to it. We do not sell information about current or former customers to any third parties, and we do not disclose it to third parties unless necessary to process a transaction, service an account, or as otherwise permitted by law.

We maintain physical, electronic, and procedural safeguards to protect personal information. Within T. Rowe Price, access to such information is limited to those who need it to perform their jobs, such as servicing client accounts, resolving problems, or informing clients of new products or services. Our Code of Ethics, which applies to all associates, restricts the use of client information and requires that it be held in strict confidence.

As the need for cybersecurity increases, so do our efforts to help protect the privacy of client personal information.

- T. Rowe Price's business, technology, and security controls and policies are tested as appropriate through our review process in accordance with local standards and requirements.
- Our head of information security and a dedicated cybersecurity team constantly review and update policies, procedures, and compliance-monitoring practices.
- We conduct third-party assessments of our cybersecurity program, including network-penetration testing and capability assessment.

In addition, all associates are required to complete annual security awareness training that addresses emerging risks and threats. Our senior leadership oversees this process and takes an active part in approving all relevant training to ensure security and privacy compliance across the firm.

Our [Privacy Policy](#) is available on our website, and questions about our Privacy Policy can be emailed to us at

feedback@troweprice.com.

COLLABORATIVE OVERSIGHT

To ensure that our corporate policies reflect the highest level of integrity and ethics, T. Rowe Price's Board of Directors and senior leadership coordinate the following:

BUSINESS UNITS

We endeavor to maintain the highest ethical standards in all facets of our firm through our Code, our hiring criteria, and our associate training. Each business unit is responsible for managing risk, maintaining a strong control environment, and employing procedures to meet regulatory compliance requirements—all while observing these standards and ensuring that the reputation of the firm is upheld.

ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management group coordinates with the business units to proactively identify and manage risks within the organization, particularly strategic, operational, business continuity, human capital, compliance, and financial risks.

FIRMWIDE COMPLIANCE

T. Rowe Price promotes a culture of compliance and maintains a compliance program that ensures local laws and regulations are understood and adhered to across the globe. Our Compliance associates partner with the business units to help navigate complex legal requirements while maintaining the integrity of the firm.

INTERNAL AUDIT

Our Internal Audit department provides independent assurance of effective risk controls across the firm. The head of Internal Audit reports to the Audit Committee of the Board of Directors. The department prepares an annual risk-based strategic audit plan that is reviewed and approved by the Audit Committee. Internal Audit then executes against the plan and provides periodic updates to the Audit Committee concerning any findings.

BUSINESS RESILIENCE

Our business continuity program ensures we maintain the operational integrity of critical business functions and reduce potential risks.

CROSS-FUNCTIONAL COMMITTEE MEMBERSHIPS

T. Rowe Price maintains several committees that assist management in handling the operations of the firm. These committees have members from various functional areas across the firm, including finance, legal, risk, and business operations. These interdisciplinary forums allow employees with a variety of skill sets and expertise to collaborate on issues and develop creative solutions for the firm.



FINANCIAL LITERACY STRENGTHENS COMMUNITIES

When Thomas Rowe Price, Jr., founded the firm in 1937, he began a long-standing endeavor to help investors make informed decisions. Over time, our financial education efforts have evolved to work toward closing a discernable gap in financial capabilities. Financial knowledge is a key to financial security. Over the past decade, our education programs for children have reached more than 11 million kids, parents, and educators. We extend that reach with community programs and partnerships—instilling invaluable life skills that will benefit people for generations to come.

THE CONFIDENT WALLET™

To help inspire long-term success through informed decisions on saving and investing, T. Rowe Price partnered with the Washington Post BrandStudio to create “The Confident Wallet,” an award-winning¹ personal finance podcast series. With episodes on women and finances, saving for college,

and getting your estate in order, more than 150,000 people have tuned in to at least one episode, and the series earned a 4.5 out of a five-star rating on iTunes.

“Partnerships with organizations like the Washington Post BrandStudio allow our financial education experts to reach a broader audience, helping people of all ages make informed decisions that can lead to long-term financial success,” says Beth Mealey, head of Global Brand Management.

STAR BANKS ADVENTURE®

The award-winning² science fiction puzzle game, which has been downloaded more than 500,000 times since it launched in 2015, teaches financial concepts in a fun and engaging format. With educational content created by CERTIFIED FINANCIAL PLANNER™³ professionals at T. Rowe Price, the Star Banks Adventure game simplifies basic financial concepts and focuses on setting a financial goal, prioritizing spending, asset allocation, and diversification.

In 2018, ninth graders at Harrison High School in New York used T. Rowe Price’s Star Banks Adventure game for a Distributive Education Clubs of America (DECA) project to promote financial literacy among fellow students. For their entry in the financial literacy promotion category, they wrote a paper titled “Gaming Our Way to Success,” describing how they used the Star Banks Adventure app to help their fellow students learn financial concepts. The project won first place in its category at the New York State DECA competition.

The students chose Star Banks Adventure after looking at several financial literacy apps “because it was a fun game, and we thought it was educational. We thought that kids in high school would be drawn to using a game rather than something meant for adults,” says Olivia Perini, one of the Harrison High School students who participated in the DECA project.



Students Alex Glaser, Olivia Perini, and Maria DiRusso pose with their DECA award.

¹ Best Branded Podcast at the Digiday Content Marketing Awards.

² Excellence in Financial Literacy Education’s 2017 Instructional Game of the Year Award and Winner of The National Parenting Center’s Seal of Approval.

³ Certified Financial Planner Board of Standards Inc. (CFP Board) owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, CFP® (with plaque design), and CFP® (with flame design) in the U.S., which it authorizes use of by individuals who successfully complete CFP Board’s initial and ongoing certification requirements.





MONEY CONFIDENT KIDS®

Money Confident Kids makes financial education fun in the classroom and at home. Our program focuses on three key areas: teaching good financial habits early, increasing money conversations between parents and kids, and helping educators teach financial concepts more confidently.

In collaboration with Scholastic, Inc., and Junior Achievement, we have developed a wide range of tools, games, and resources. Topics include personal savings goals, creating a budget, spending habits, inflation, interest, and more.

UNIQUE PERSPECTIVES

We look at our work each day with a fresh perspective and enthusiasm for delivering the best to our clients, associates, and communities.



INNOVATING FOR BETTER SOLUTIONS

Delivering financial services in new ways helps us serve our clients better.

To foster a creative environment and help transform our approach to global technology, we have opened the Client Experience and Delivery Transformation Lab and the New York Technology Development Center.

Jordan Vinarub, who heads up the New York Technology Development Center, explains why these pioneering programs set T. Rowe Price apart.

Q: How is T. Rowe Price using technology as a differentiator for the firm?

A: We are building new capabilities in cloud, microservices, big data, and machine learning in order to scale our investment process. We are providing more visibility, insights, and intelligent augmentation for our investment professionals.

Q: How do technological advances help support investment decisions?

A: Data science and machine learning enable the use of automation and predictive analytics over large datasets to generate insights. Our investors get the benefit of additional inputs and data to their existing process to help them make the most informed decisions for our clients.

Q: What are the priorities in the technology space for T. Rowe Price?

A: Our Integrated Strategic Plan is driving priorities for the technology team around building new technical capabilities (cloud, microservices, big data, machine learning), enabling our business partners to work in new ways, and ultimately providing new systems to help the firm run efficiently.

Q: What part of your job are you the most proud of?

A: I'm most proud of being part of a global community of world-class technology professionals who are driven to make an impact both for our clients and the communities in which we live. I see this when we host CSR events like Youth Mentor Day and Hour of Code for the girls from Saint Barnabas High School in the Bronx. I also experience this when we help our business partners gain insights from the work we've done. It's a great feeling to see motivated people building a positive culture of learning and delivery.

Everything we do at the lab is focused on enhancing our clients' experiences. As we build capabilities by combining advancements in design, technology, and entrepreneurship, we take a holistic view to assess the impact of current and planned efforts on how clients engage with us.

– Rajesh Eshwar | Head of Client Experience & Delivery Transformation at T. Rowe Price



SUSTAINABLE INVESTING

Environmental, social, and governance (ESG) factors are key considerations in our investment approach—we dig deep to understand the long-term sustainability of the companies in which we invest. Our in-house ESG 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.

ESG considerations are analyzed by two teams: Responsible Investing, which covers environmental and social factors, and Governance. Together, they help our investors make more informed investment decisions.



Looking ahead, advocacy is the primary focus of our external governance function. In key markets around the world, we are concerned about a weakening of important shareholder rights and investor protections. To this end, we are collaborating with other investors to persuade stock exchanges and regulators that reasonable disclosure requirements and strong investor protection are essential ingredients for open, liquid, and resilient capital markets.

– Donna Anderson | Head of Corporate Governance



THE RESPONSIBLE INVESTING INDICATOR MODEL (RIIM)




EMBEDDING ESG CONSIDERATIONS IN OUR INVESTMENT DECISIONS.

We developed a proprietary model that systematically and proactively screens the responsible investing (RI) profile of an investment.

The Responsible Investing Indicator Model flags any elevated RI risk associated with an investment and identifies investments with positive RI characteristics, as well as manages RI factor exposures at the portfolio level.

The RIIM framework uses multiple datasets, covering approximately 12,000 corporate entities, making it scalable across our equity and fixed income credit franchises. It can also be populated with our own fundamental analysis.

In the illustration of the RIIM model, we outline an overall risk profile of an investment and flag both elevated responsible investing risks (orange/red) and positive responsible investing characteristics (green).

ENVIRONMENT 	OPERATIONS	Supply chain (environment)
		Raw materials
		Energy and emissions
		Land use
		Water use
		Waste
		General operations
	END PRODUCT	Product sustainability
		Products and services environmental incidents
SOCIAL 	HUMAN CAPITAL	Supply chain (social)
		Employee safety and treatment
		Evidence of meritocracy
	SOCIETY	Society and community relations
	END PRODUCT	Product sustainability
		Product impact on human health and society
		Product quality and customer incidents
ETHICS 	Business ethics	
	Bribery and corruption	
	Lobbying and public policy	
	Accounting and taxation	
	Board and management conduct	
	ESG accountability	
DATA INCIDENTS	Data privacy incidents	

 Not Material
 No/Few Flags
 Medium Flags
 High Flags

 RI Risk Indicator

 Social

 Environment

 Ethics

ESG INVESTING THEME

The Water-Energy-Food Nexus as a signal for environmental reforms and business impact.

Water, energy, and food are three vital components of sustainable development. The interaction of these factors is commonly referred to as the Water-Energy-Food Nexus (WEF-Nexus). The lynchpin of the WEF-Nexus is water—as a finite resource, water scarcity has a direct impact on food supply. If a local WEF-Nexus spirals out of balance, lack of water shifts from being a global sustainability concept to a more local and immediate problem.

Today, nearly a quarter of the world's population lives in water-scarce regions. As the impact of climate change intensifies, more regions grapple with water scarcity and associated WEF-Nexus pressures. Key indicators of looming environmental reforms include:

- More frequent droughts and rising food prices
- Consistent overdraws on river systems and aquifers
- Agricultural inefficiency—low yields and/or tilt to nonfood crops
- Impact of pollution on public health and quality of life
- Low unemployment—politicians can address ecological issues when there is less economic pressure

As the pull on this finite resource pushes more and more regions into water scarcity, we anticipate greater intervention from governments as they struggle to manage their water, energy, and food resources. In turn, this is likely to have a downstream effect for the energy, utility, and transportation sectors as well as other sectors that are indirectly exposed to the WEF-Nexus.

When we observe one WEF-Nexus component fall out of balance, we can analyze how it will affect the other WEF-Nexus components and the companies that operate within them. China offers an example of this. An overreliance on coal blended with relatively lax environmental standards has thrown China's WEF-Nexus out of balance and resulted in health hazards, water shortages, and threats to food supplies. In response, the Chinese government targeted 10 industries that overextended China's natural resource balance—with the goal of reducing waste and improving efficiencies.

Though it is still early on for an expected multi-decade economic restructuring, our team continually evaluates how companies are faring with wide-ranging industry reforms, as we believe insights into ESG factors will play an important role alongside financial analysis.

Among the three components in the WEF-Nexus, water represents a valuable lead indicator of change—mismanagement of this vital resource typically proves to be a catalyst for swift regulatory intervention that can influence company behavior and, ultimately, performance.

– Maria Elena Drew | Director of Research—Responsible Investing



ESG INVESTING THEME

Understanding the Water-Energy-Food Nexus.¹

WATER

70%

of global water withdrawal is for agriculture

20%

of the world's aquifers are overexploited

15%

of global water withdrawal is for energy production

55%

projected global water demand growth by 2055

FOOD

20%

Water demand for agriculture is forecast to grow by 20% by 2050 (without efficiency improvements)

60%

Population growth, rising incomes, and urbanization will require a 60% increase in food production by 2050 (without efficiency improvements)

30%

of global energy is for food production and its supply chain

ENERGY

90%

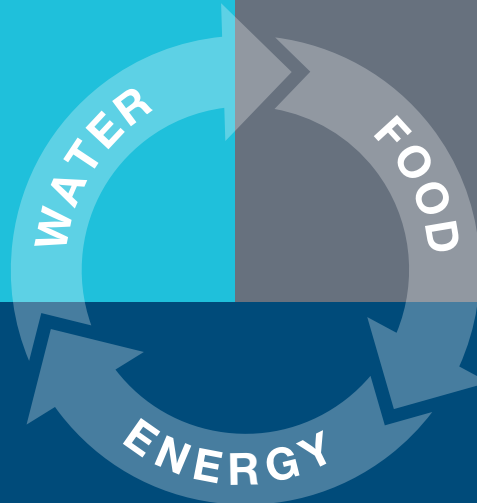
of global power generation comes from water-intensive sources

1.2B

Between 2000 and 2016, 1.2 billion people gained access to electricity (1.1 billion remain without access as of 2016)



Biofuels have driven the largest demand boost for agricultural products in decades



¹ Sources: Water and Energy (UN Water 2014), Food and Agriculture Organization of the United Nations, UNESCO World Energy Outlook (IEA 2017).



ESG INVESTING THEME

Sustainability pressures set to reshape plastics industry.

Global demand for plastics has increased twentyfold over the past 50 years, and the International Energy Agency predicts that demand will grow by an additional 45% by 2040, with nearly two-thirds of that growth coming from Asia.

The obsession with plastic is easy to understand—cheap, lightweight, and durable, the material is beneficial to society in a multitude of ways, including:

- Reducing food waste—by extending the freshness period
- Lowering vehicle emissions—by making cars lighter
- Increasing energy efficiency—through improved building insulation

Accordingly, we believe that the sustainability debate should center on how, not if, we use plastic and, most importantly, how we dispose of it.

Vast consumption of plastic is a major sustainability problem that the world must solve. Most plastics have a very short life span of less than one year, yet they can take up to an estimated 450 years to break down, creating a major environmental impact if not disposed of properly.

Globally, most plastics (40%–45%) end up in a landfill, while a significant portion (25%–30%) is land leakage or litter.

Only a small portion is incinerated (12%–14%) or recycled (10%–15%).¹ While comparatively less plastic may end up in the ocean, it has been suggested that by 2050 there could be more plastic in the ocean than fish.

Given the magnitude of the disposal problem, we believe the plastics industry will be fundamentally reshaped in four key areas:

1. Reducing usage
2. Increasing recycling
3. Increasing incineration (waste to energy)
4. Replacing plastic with alternatives and/or new biodegradable products

Many companies targeted as problem actors will likely be solutions providers, as packaging products are adopted to solve their end-of-life problems. We believe the key drivers of success among packaging companies will be product innovation and the ability to develop a circular business model.

There is clearly a place for plastic in the global economy, and in several cases, there are no viable alternatives. However, as investors, we seek to identify areas where there is a sustainable alternative to single-use plastics—beverage packaging is one such area.

– Dan Hirsch | U.S. Equity Analyst



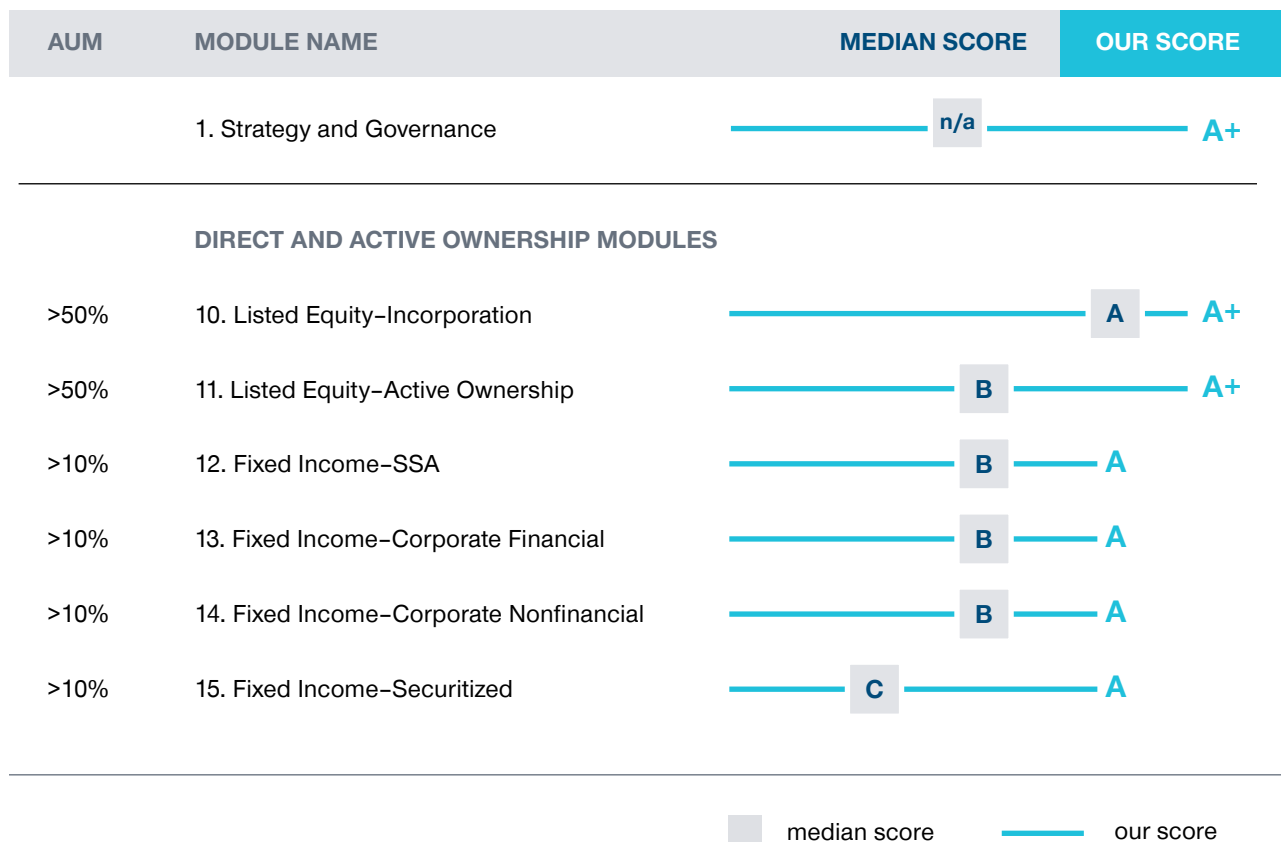
¹ Source: The New Plastics Economy, Ellen MacArthur Foundation (2018).

PRINCIPLES FOR RESPONSIBLE INVESTMENT SCORECARD

T. Rowe Price became a signatory of the United Nations Principles for Responsible Investment (UN PRI) in August 2010. We support the PRI framework as an effective means of encouraging dialogue among investors and better disclosure from companies globally about important responsible investing issues.

Under the UN PRI's transparency requirements, all signatories complete an annual self-assessment. T. Rowe Price's most recent Transparency Report is available via the UN PRI data portal at dataportal.unpri.org.

The UN PRI Summary Scorecard below provides an overview of our aggregate score for each module assessed and the median score. These bands range from A= (top band) to E (lowest band). The UN PRI assessment scoring methodology is available at unpri.org.



INSPIRING CONFIDENCE BY GOING BEYOND THE NUMBERS



The T. Rowe Price strategic investing approach has guided our firm since 1937, and it continues to inspire confidence—by helping clients reach their long-term investment goals.

We go above and beyond to uncover the undiscovered. T. Rowe Price partnered with National Geographic's custom studio to show the similarities between our investors and National Geographic's explorers. Each digs deep to discover new potential in their respective fields, venturing into uncharted territories to acquire the kind of insight that can only come from hands-on experience.

WHAT MAKES THE T. ROWE PRICE STRATEGIC INVESTING APPROACH SO DISTINCTIVE?

- We go beyond the numbers. More than 400 of our investment professionals are out in the field meeting directly with companies. That gives them firsthand independent analysis and on-site evaluations to provide better opportunities and the best value for our clients.
- Our skilled portfolio managers have deep experience—averaging 22 years in the industry and 17 years with T. Rowe Price.

- Our people think independently but act collaboratively. They assess when to move with the crowd and when to move against it; when to quickly take advantage of market fluctuations and when to hold tight.
- We carefully manage risk and seek to maximize value for our clients over longer-term time horizons.

Ziad Bakri: Investing in breakthrough therapies

"Imagine that your disease is going to kill you in less than a year, but a company develops a way to genetically engineer your own blood and your own immune cells to actually recognize the cancer and attack it. Instead of poisoning the cancer cells with toxic chemicals that wreak havoc on the immune system, you tweak the patient's blood and let the body's natural immune defense take care of the rest.

After medical school in the UK, I worked as an emergency room doctor. What drew me to capital allocation in health sciences was the potential to help many people for years to come through investments that help fund medical innovation.

My team and I often choose to invest at the very early stages of human trials, and sometimes when it's just a concept. It's exciting to see innovations shift from concept to reality.

It's a priority of mine to go out into the field so I can see firsthand if this is something real. Making the right investment decision is important not only for our investors, but for mankind in general because today's treatment, which took years to develop, can have long-term future benefits for generations to come.

Investing lets me use everything I've learned as a doctor to help make a positive impact on the world. So that's why I go beyond the numbers."

Ziad Bakri is portfolio manager of the T. Rowe Price Health Sciences Equity Strategy.



COLLABORATION AND DIVERSITY

We build collaborative relationships with our clients and among our associates in order to best serve people around the world.



ATTRACTING AND RETAINING DIVERSE TALENT

We continue to update our recruiting practices to attract professionals with different backgrounds and experiences and to offer programs and events that engage and expose candidates to our culture and the financial industry. A sampling of programs that add to our talent pipeline includes:

- **Pre-M.B.A. Internship Program:** The internship program engages diverse candidates who are interested in asset management before entering their first year of business school.
- **Stock Pitch Workshop:** This event introduces a diverse group of first-year female M.B.A. students to a career in asset management, including how to present stock recommendations to investment professionals.
- **Women in Leadership and Female Insight Day:** Launched in 2017, this London-based event focuses on increasing female applicants for undergraduate opportunities.

- **Associate Analyst Program:** This multiyear program offers training and mentoring to develop associates for equity and fixed income analyst roles. In 2018, 60% of associate analyst hires across equity and fixed income were diverse.

Q&A WITH HENRY CASANOVA: SLATE DIVERSITY

Henry Casanova is a recruiting manager at T. Rowe Price.

Q: Why is it important to pursue diverse talent in the finance industry?

A: Money management is a very personal thing. Our clients want to feel understood, respected, and culturally represented. There's an extra layer of trust that comes from knowing that people with similar backgrounds and experiences are working to help you achieve your financial goals.

Q: What does slate diversity mean?

A: Slate diversity refers to the number of candidates from underrepresented groups that are interviewed by a hiring manager versus the total number of candidates interviewed



for the position. At T. Rowe Price, slate diversity is a shared goal between recruiters and hiring managers. Recruiters work with hiring managers to introduce diverse candidates who will best meet the needs of our clients.

Q: What has T. Rowe Price done to enhance slate diversity?

A: In an effort to strengthen our recruitment of African American recent graduates, the campus recruiting team has added a recruiter with strong relationships with historically black colleges and universities. In addition, in partnership with our diversity and inclusion group, we have attended the National Association of Black Accountants Convention and Exposition, the National Black MBA Association Conference and Exposition, and the Toigo Alumni Investment Conference.

BENEFITS FOR A DYNAMIC WORKFORCE

We recognize that associates can be their best when they feel their best. Our support for their wellness is reflected in our culture and operations. We offer competitive benefits globally, tailored to the unique needs of associates across regions.

For instance, at our corporate headquarters in Baltimore, associates can take advantage of the on-site gym, yoga classes, and massage therapy. Our corporate campuses in Colorado and Maryland have walking trails, basketball courts, ping-pong tables, fitness centers, and community gardens, in addition to enjoying the same amenities as our headquarters. We also reimburse our associates for their fitness club memberships up to specified limits; offer webinars on healthy living; and, in the U.S., provide comprehensive health and dental insurance. In Europe, we have offered mental health awareness training for managers to help them support the well-being of their team members.

To support the financial wellness of U.S.-based associates, our generous 401(k) plan provides a company contribution of up to 12.5% of an associate's salary, if they contribute 4%. We also offer an employee stock purchase plan. Additionally,



Associates participated in the Three Peaks Challenge, scaling the three highest peaks in the UK in 24 hours.

to help associates make informed personal finance decisions, we provide free financial guidance and decision-making support from a professional financial coach.

Our competitive benefits offerings reflect the diverse and unique needs of our associates throughout various stages of their careers and lives. For example, we enhanced U.S. maternity and parental leave benefits so that birth mothers receive 10 weeks of fully-paid leave for recovery from child birth, in addition to six weeks of fully paid leave that all new parents receive. Adoptive parents are eligible for six weeks of paid leave, in addition to adoption assistance. Since 2013, we have offered our associates backup childcare and eldercare in the U.S., the UK, and Canada. Health care benefits for domestic partners are available, and associates wishing to transition genders in the U.S. receive coverage for their treatment through our health insurance plan.

GETTING PHYSICAL TO SUPPORT MENTAL HEALTH

In summer 2018, 35 T. Rowe Price associates took on the Three Peaks Challenge to scale the three highest peaks in the UK—Ben Nevis in Scotland, Scafell Pike in England, and Snowdon in Wales—all within 24 hours. The challenge helped raise \$70,000 for MIND, a nonprofit organization that provides support and resources for people struggling with mental health.



A DIVERSE AND INCLUSIVE WORKING ENVIRONMENT

At T. Rowe Price, we strive to create an environment that supports our associates and their aspirations, where everyone can bring their full selves to work—their diverse perspectives, experiences, and passions—and come together to contribute to the success of our clients.

Our Diversity and Inclusion Operating Council (DIOC) creates specific diversity and inclusion plans for each of the firm's business units and ensures we are executing against those plans. The DIOC meets monthly to discuss progress, challenges, and concerns.

RESOURCE GROUPS STRENGTHEN AND BROADEN OUR CULTURE

Insights gleaned from our business resource groups have contributed to our existing recruitment and talent acquisition strategies. Associates who participate in these groups add to their networks, develop their careers, and provide important perspectives that help shape our company culture. Our business resource groups at T. Rowe Price include:

- **PRIDE**—formed by associates to ensure that all lesbian, gay, bisexual, and transgender associates are comfortable bringing their full selves to work each day.
- **WAVE**—composed of associates from across the firm who provide insights that help identify and understand gender-related issues and opportunities.
- **MOSAIC**—brings valuable insights that represent the voices of our ethnically diverse associates. It aims to foster inclusion so that all associates can flourish, adding value for our clients.

AN INCLUSIVE CULTURE

The results of our 2018 associate survey found that:

- 87% of our associates believe that T. Rowe Price fosters an environment that is inclusive of all differences
- 86% of associates feel accepted for who they are
- 84% of associates want to work for T. Rowe Price because of the firm's culture and work environment

Q&A WITH LQ HUANG

LQ Huang is general manager of U.S. Equity at T. Rowe Price and serves as co-chair of T. Rowe Price's PRIDE Committee.

Q: Why is diversity and inclusion so highly valued at T. Rowe Price?

A: We know that our associates are our best asset and are the driving force of our company, and we highly value everything each individual has to bring to the table. When people feel their best, they are going to do their best work. A diverse and inclusive culture allows for a broad, open exchange of perspectives and ideas that may not otherwise be uncovered.

Q: How do business resource groups help support diversity and inclusion efforts at T. Rowe Price?

A: These groups provide opportunities for people to work toward common goals that help to promote a diverse and inclusive environment at T. Rowe Price.

Q: As a cochair of PRIDE, how do you help support a culture of inclusion?

A: We serve as allies for our members and advocate for our firm to be more open and accepting of all individuals. Our main priority is to listen without judgment and allow our members to speak up about issues that affect them. We can help identify key areas of importance and ensure that everyone is getting the support they need in the best ways possible.

Q: What were some of PRIDE's most successful initiatives or efforts in 2018?

A: One of the most successful efforts is the Equality Economy—a multiyear project researching changing LGBTQ+ investor behaviors. We surveyed thousands of LGBTQ+ individuals, asking questions about finances and financial support, to get a better understanding of how to serve this community. The insight we gained allowed us to create a toolset to help better inform financial advisors and enhance their conversations with clients.





DIVERSITY BY THE NUMBERS:

31%

OF OUR WORKFORCE WERE
MEMBERS OF AT LEAST
ONE BUSINESS
RESOURCE GROUP

44%

OF OUR ASSOCIATES IN
OUR GLOBAL WORKFORCE
WERE FEMALE

45%

OF OUR BOARD MEMBERS
WERE ETHNICALLY
DIVERSE AND/OR FEMALE

CHAMPIONING A DIVERSE, COLLABORATIVE CULTURE

Our leadership sets the tone for finding and developing associates who thrive in a collaborative culture and embrace our client-centered philosophy. They foster an environment where every associate's ideas are valued and respected.

THE GLOBAL DISTRIBUTION BUSINESS UNIT

T. Rowe Price's Global Distribution division works to create an inclusive culture that supports diverse talent. The division has two dedicated global programs:

- **Women in Sales**—This advisory group focuses on helping attract and retain women in sales roles. The group is currently working on initiatives to correct misconceptions about gender biases, help women reenter the workplace after time off, provide successful role models and mentors, and implement more programs and training opportunities for career development for women.
- **LEAD**—This program aims to attract and improve retention of associates of diverse backgrounds and prepare them for leadership roles. The program also helps new employees navigate their first few years of employment with thorough onboarding and individualized career goals to support successful growth in the workplace.

Q&A WITH ROBERT HIGGINBOTHAM

Robert Higginbotham is head of Global Distribution at T. Rowe Price.

Speaking openly with other leaders and associates about real-life scenarios allows for a collaborative environment with new perspectives and points of view on how to empower diversity and inclusion across the firm.

– Jennifer Perricone | Head of Technology Operations, T. Rowe Price

AWARDS AND RANKINGS

- Perfect 100 score on the Human Rights Campaign, 2018 and 2019—Corporate Equality Indices¹
- World's Most Admired Companies, 2019—*Fortune*²
- World's Best Employers 2018—*Forbes*³

Q: How does the formation of a singular Global Distribution unit work to further T. Rowe Price's diversity and inclusion efforts?

A: By having one organization, we create a tighter alignment of teams. This type of environment fosters collaboration and innovation and helps us deliver increased value and enhanced service to our clients. We are able to communicate through one powerful, singular voice around the importance of diversity and inclusion across the globe.

Q: How do T. Rowe Price business leaders embrace diversity and inclusion efforts?

A: Diversity and inclusion goes beyond raising awareness to changing behavior—it's about leading by example, mitigating unconscious biases, being relentless in our encouragement of collaboration, and valuing the cultural differences among our prospective and current associates.



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³ Forbes 'Global 2000: World's Best Employers' 2018". © Forbes Media, LLC. Used with permission.



OUR DIVERSE U.S. POPULATION¹

Male (3,509)	Hispanic or Latino	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	TOTAL
Executive/Senior-Level Officials and Managers	1	54	2	0	5	0	0	62
First-/Mid-level Officials and Managers	20	624	38	1	46	0	13	742
Professionals	43	1,310	108	4	312	1	39	1,817
Technicians	3	21	12	0	5	0	1	42
Sales Workers	17	163	20	0	9	2	5	216
Administrative Support Workers	41	458	94	3	20	1	13	630
TOTAL	125	2,630	274	8	397	4	71	3,509

Female (2,851)	Hispanic or Latino	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	TOTAL
Executive/Senior-Level Officials and Managers	1	34	2	0	1	0	2	40
First-/Mid-level Officials and Managers	17	488	56	1	31	1	13	607
Professionals	31	831	140	3	125	1	22	1,153
Technicians	0	5	10	0	2	0	0	17
Sales Workers	4	53	8	0	4	0	0	69
Administrative Support Workers	62	565	262	2	41	0	33	965
TOTAL	115	1,976	478	6	204	2	70	2,851

¹ Definitions are based on the U.S. Equal Employment Opportunity Commission's EEO-1 Survey. Our U.S. workforce represents 90% of our global workforce.





COMMUNITY

We invest in positive change throughout our communities and support the compassion and commitment of our many associates who give and serve.

A CULTURE OF DIFFERENCE-MAKERS

At T. Rowe Price, we're more than an investment firm—we're volunteers, donors, educators, grant-makers, and environmentalists.

T. Rowe Price encourages associates to donate their time and resources to support the causes they are passionate about.

We provide paid volunteer workdays, offer volunteer rewards, sponsor associates' favorite nonprofit events, offer pro bono volunteer opportunities, and support board service.

MATCHING GIFTS

In addition, T. Rowe Price amplifies the impact of our associates' financial support through the Global Matching Gift Program, which can double the impact of associate donations. This program also encourages volunteer service by awarding grants to organizations our associates support.

These contributions are instrumental to our collective impact.

ASSOCIATE IMPACT IN 2018

- \$13.1M through workplace giving
- More than 40,000 volunteer hours
- More than 350 associates served on nonprofit boards

T. ROWE PRICE MATCHING OF ASSOCIATES' CHARITABLE GIFTS

Total matched per year:

- 2014 – \$4.4M
- 2015 – \$5.2M
- 2016 – \$6.2M
- 2017 – \$5.8 M
- 2018 – \$6.3M

I participated in the TutorMate program, which allowed me to tutor a first grade student once a week virtually from my desk at work. I thought I knew what to expect going into the program, but I was blown away by the experience. It was so much fun and enabled me to have a direct impact by helping my student learn to read at grade level. I'm so proud of my student. The memories of this will stay with me for a very long time to come.

– Steve Bradford | Infrastructure Operations Analyst



PARTNERING FOR SOCIAL GOOD AND ENHANCING COMMUNITY LIFE

For more than three decades, the T. Rowe Price Foundation has supported the communities where our associates live and work and beyond. With \$121 million in direct grants and matching contributions since 1981, the Foundation provides support that can serve as DNA changers for communities.

CAPACITY BUILDING

ANNUAL SUMMIT: Each year, the Foundation surveys local organizations about their challenges and needs and then uses that feedback to plan a yearlong calendar of capacity-building events, including an annual summit. For 2018, the focus of the large-scale summit was on evaluation. The goal was to shift the understanding of evaluation to focus on organizational and programmatic improvement, as well as homing in on evaluation measures that most closely align with each organization's mission and vision. The symposium featured speakers from the Urban Institute and the Center for Evaluation Innovation and a nationally recognized spokesperson for social impact measurement.

DESIGNFEST: In partnership with Maryland Institute College of Art, the Foundation launched DesignFest, a 10-hour event bringing together design teams and nonprofit organizations. During this event, teams of professional and student designers

utilized design-thinking skills and expertise to create actionable branding solutions for Baltimore nonprofits.

While the designers work, the participating organizations attend training sessions and collaborative learning experiences with other nonprofits.

RAISING RACE-CONSCIOUS CHILDREN: Recognizing that when race isn't discussed, children are left to draw their own conclusions about what "different" means, the T. Rowe Price Foundation hosted two capacity-building workshops for teachers and families on "Raising Race Conscious Children". The two events were attended by more than 100 community members.

ONE BOOK BALTIMORE

The T. Rowe Price Foundation spearheaded a public-private partnership with more than 10 Baltimore organizations—including Baltimore Ceasefire, Baltimore City Public Schools, and Enoch Pratt Free Library—to launch One Book Baltimore. The initiative helped promote citywide conversations about racial equity, peace, and anti-violence and aimed to engage community members in a meaningful, open dialogue about their experiences so that they may ultimately see a new path for themselves. The book selected was "Dear Martin" by Nic Stone. Free copies of the book were given to all Baltimore City Public School seventh and eighth grade students, and partner organizations created numerous in- and out-of-school opportunities for students and community members to discuss the book.

Regarding her book being a part of the initiative, author Nic Stone said, "To know that children—and adults—across the city of Baltimore will be reading and engaging with "Dear Martin" is an honor beyond measure. It is my deepest hope that slipping into [the main character's] shoes will open eyes and minds in a way that will move the world we inhabit a bit closer to that of Dr. King's dream."



Author Nic Stone speaks at One Book Baltimore.





Associates in Colorado Springs collected 84,000 pounds of food to celebrate the location's 20th anniversary.

FEEDING THE NEED FOR HUNGER RELIEF

T. Rowe Price is committed to supporting global hunger relief with food collection and distribution initiatives in every city where we have an office—partnering with local food banks and nonprofit organizations around the world. Some examples include:

SINGAPORE

In December 2018, associate volunteers donated their time to the Groceries for Families program, which involved packing and distributing food items for low-income families throughout Singapore. Associates also volunteer with Dignity Kitchen, Singapore's first social enterprise food court. There, disabled and other marginalized people prepare and serve treats such as dim sum and baked goods for elderly lunchtime guests.

LONDON

T. Rowe Price worked with Newham Foodbank in London to coordinate special volunteer days to support hunger relief. During an event in November 2018, volunteers participated in a challenge to buy as many food items from a vital needs list as possible with an allotment of cash. Facilitated by the East London Business Alliance, the event helped to provide 1,913 emergency food supply items to people in crisis.

COLORADO SPRINGS

To mark the 20th anniversary of the Colorado Springs office, the firm sponsored a food drive with local partner Care and Share Food Bank. T. Rowe Price associates collected 84,000 pounds of food donations for the drive, filling a brand new T. Rowe Price-sponsored delivery truck.

SAN FRANCISCO

In order to support hunger relief in Northern California, T. Rowe Price maintains a partnership with the San Francisco-Marin Food Bank to ensure those in need have access to healthy, affordable nutrition. The flagship program, The Pantry Network, brings weekly farmers' market-style pantries directly into high-need neighborhoods at over 270 sites.

BALTIMORE

Upon recognizing the lack of access to nutritious and affordable food for citizens in parts of Baltimore, T. Rowe Price joined forces with local nonprofit No Boundaries Coalition to launch Fresh at the Avenue, a weekly produce stand at the Avenue Market. Prior to the T. Rowe Price Foundation's grant to No Boundaries Coalition, the availability ratio of alcohol to fresh produce was 10:1 in central West Baltimore and 16:1 in Sandtown, another neighborhood in West Baltimore. After the three-year grant concluded, the healthy food availability score in those neighborhoods more than doubled.





Students from Eden Girl's School in London attend a Career Day event on International Women's Day.

EMPOWERING STUDENTS ACROSS THE GLOBE

T. Rowe Price is committed to educating students about the skills needed to join the workforce and helping them develop financial capabilities.

In order to bridge school and workplace experiences, in 2018 T. Rowe Price held Career Day events for hundreds of high school students across the globe. Every event was customized to focus on the issues that resonated the most with each group. For instance, in London and Sydney, the events focused on female empowerment and self-confidence-building exercises, while events in Colorado Springs focused on resumé-writing and team-building activities. Some of the Baltimore events addressed the education crisis for boys in urban environments and incorporated the firm's Money Confident Kids program.

“One student just told me that he’s helping his mother with a household budget; she wants to buy a car and a new house. He volunteered that he knew how to budget and make wise spending decisions because of his visit at T. Rowe Price. Another boy’s grandmother said she would buy a few shares of [a stock] just to introduce him to the financial markets.

– Jack Johnson Pannell, Jr. | Founder and executive director of Baltimore Collegiate School for Boys



A man with a beard, wearing a plaid shirt and a baseball cap, is kneeling in a field. He is smiling and looking towards the right. He is holding a large, light-colored bucket. In the background, there is a wooden fence and some trees. The entire image has a blue tint.

ENVIRONMENTAL SUSTAINABILITY

We are committed to generating meaningful, sustainable efficiencies that improve our environmental performance.

REDUCING OUR ENVIRONMENTAL FOOTPRINT

As part of our commitment to our clients, associates, and communities, we prioritize reducing the impact that our buildings and operations have on the environment. We believe that the actions we take today in this regard return immediate results and will benefit future generations. Some of our 2018 initiatives have included:

- Implementing environmentally sustainable construction and renovation practices,
- Reducing waste and increasing composting and recycling,
- Reducing the firm's use of water bottles,
- Maintaining community gardens at our corporate campuses.

Landfill waste reduction between 2010 and 2018	-91%
Targeted landfill waste reduction between 2010 and 2025	-92%
Recycling increase between 2010 and 2018	+56%
Composting increase between 2014 and 2018	+124%
Conversion of waste to energy increase between 2010 and 2018	+387%
Percentage of environmentally certified real estate	+42%
Produce grown in corporate gardens and donated to charities in 2018	286 lbs.

Planning and preparing for a better future is aligned with the culture and core mission of our firm, and we continue to pursue multiyear strategies that target an achievable positive impact. As such, we are holding ourselves accountable to make continued progress by setting reduction goals through 2025, specifically reducing greenhouse gas (GHG) emissions by 13% and landfill waste by 92% when compared with our performance in 2010, our benchmark year.

¹ Based on assigned workspaces.

If we achieve our goals sooner than 2025, we will look to revise our targets and continue to incrementally work toward reducing our greenhouse gas emissions and waste.

GREENHOUSE GAS EMISSIONS

We began measuring our global greenhouse gas emissions in 2008. Ten years later, we're confident that this knowledge helps us make better long-term decisions for our associates and clients. Even with a 61.8% increase in our associate population since 2010, we've managed to reduce our GHG emissions by 11.5%. That is a 45.3% reduction per associate over eight years.

Greenhouse gas emission reduction between 2010 and 2018	-11.5%
Targeted reduction in greenhouse gas emissions between 2010 and 2025	-13%
Change in associate population between 2010 and 2018 ¹	+61.8%
Greenhouse gas emissions per associate reduction between 2010 and 2018	-45.3%
Office space increase between 2010 and 2018	+6.3%

Our GHG calculations follow the industry's standard for GHG account and reporting based on the World Resources Institute/World Business Council for Sustainable Development Corporate GHG Protocol. In 2018, T. Rowe Price asked ICF International (a third-party consulting firm specializing in carbon measurement and reporting) to calculate our GHG emissions inventory and comparisons. Upon conclusion of ICF International's calculations, another third-party firm, Cventure LLC, verified the quality and totality of the GHG inventory data.

Learn more by visiting our website and downloading our [Environmental Policy](#).





TOTAL SCOPE 1, 2, AND 3 EMISSIONS (MT CO₂e)¹

2010	2011	2012	2013	2014	2015	2016	2017	2018
43,172	43,631	37,554	40,458	42,005	43,519	41,561	36,874	38,215

¹ Scope definitions: Scope 1 emissions are the result of GHGs emitted on T. Rowe Price sites, either from directly burning fossil fuels in the buildings or on-site vehicles or from chemicals used in the buildings' ventilation and air conditioning equipment. Scope 2 emissions are the result of 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.

OUR LEADERSHIP

Our leadership team sets the tone for finding and developing results-driven associates who embrace our client-centered philosophy and collaborative, inclusive culture. It's a leadership model built on integrity and designed to ensure excellence in investment management and client service for years to come.

BOARD OF DIRECTORS

The Board of Directors, which is elected by our stockholders, is the ultimate decision-making body for T. Rowe Price. The Board is responsible for advising and monitoring senior management as well as reviewing and establishing procedures to help ensure the business upholds the highest legal and ethical conduct.

MANAGEMENT COMMITTEE

Our Management Committee was composed of 13 seasoned experts, with an average of 16 years with the firm. The committee makes sure we put clients first, today and tomorrow. See our [committee members' profiles](#) for more details.

STEERING COMMITTEES

Our steering committees set strategic policy and direction. Steering committees include: Ethics Committee, U.S. Equity Steering Committee, Fixed Income Steering Committee, International Equity Steering Committee, Multi-Asset Steering Committee, Risk Management Oversight Committee, Management Compensation Committee, and Product Strategy Committee.



LEARN MORE

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

- [Corporate Responsibility](#)
- [Diversity & Inclusion](#)
- [ESG investment approach](#)
- [Leadership](#)

■ [Policies](#)

■ [T. Rowe Price Foundation](#)

To learn more about our commitment to our clients, associates, and communities, visit our website at **[troweprice.com](https://www.troweprice.com)**. As we continue to strengthen and integrate our corporate responsibility 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 | July 2, 2019

REPORTING ENTITY: T. Rowe Price

CONTACT: William Sell

LEAD VERIFIER: Kevin L. Johnson, Cventure LLC

EMISSIONS INVENTORY

Global, corporate-wide FY2018 (January 1, 2018–December 31, 2018) 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 2018 GHG emissions inventory and methodology were developed by ICF International, according to ICF's 2018 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. This verification effort covered T. Rowe Price's FY2018 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.



The Tier II review was designed to provide a limited level of assurance that the GHG emissions assertion is materially correct. Reviews of methodologies, calculations, and data management used in T. Rowe Price's GHG inventory were conducted. All T. Rowe Price facilities and GHG emissions Scopes reported within the operational and verification scope boundaries were subject to the verification process.

Twenty-three (23) facilities were selected for detailed reviews and data sampling, representing >80% 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 also reviewed for travel agent-booked employee business air travel, and for waste management vendors. Error checking tests were performed on the data to assess the information collected, including missing data, limits and reasonableness, units of measure, and select re-computation cross-checks.

No material errors were identified by Cventure during the course of this verification. Several minor, immaterial discrepancies between root data documentation and the GHG inventory report were identified; these were corrected by T. Rowe Price/ICF at that time. Boundary checks included a review of the 2018 lease management database reports. Emissions aggregation and select inventory spreadsheet

calculation checks were also made, and compared against inventory reported data. No material errors or discrepancies were found in those types of verification review checks.


We believe our work provides a sound basis for our verification conclusion.

GREENHOUSE GAS EMISSIONS 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 FY2018 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 estimates conform to generally accepted GHG accounting standards, and are generally consistent with the WRI/WBCSD GHG accounting and reporting protocol. GHG emissions estimates were calculated in a consistent, transparent manner, and found to be a fair and accurate representation of T. Rowe Price's actual conditions, and to be free from material misstatements or omissions. Cventure verified a total of 38,215 metric tons of CO₂ equivalent emissions (2,154 Scope 1, 30,803 Scope 2, and 5,258 Scope 3), with a limited level of assurance.



INVEST WITH CONFIDENCESM

 PRINTED ON RECYCLED PAPER

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