Our service-oriented culture at T. Rowe Price, where transparency and accountability are integrated throughout everything we do, attracts associates who possess a genuine desire to help others. Our associates are the reason that our clients can invest with confidence—and frequently the leaders of positive change in the communities we serve.

On behalf of more than 6,000 associates worldwide, I am proud and excited to share the results of our efforts to effect positive change. Through this report, I hope you learn more about how our approach to corporate social responsibility (CSR) reflects our deepest values and is woven into our business. In other words, CSR is not an extension of our core business, but rather an integral part of the firm’s operations.

In my 30 years at T. Rowe Price, I have seen firsthand how putting clients first requires rigorous thoughtfulness, relentless communication, and a lens of compassion. It’s about being a trusted partner and delivering the best value. Over the past year, as president and CEO, I have found new meaning in this vision set forth by our founder Thomas Rowe Price, Jr.

Our investment in our associates and the community benefit from the same disciplined approach we have to investing on behalf of our 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 minority leadership at the firm as a result of our efforts to ensure that 30% of interviewees for senior roles are diverse.

> The T. Rowe Price Foundation concluded a year-long listening tour to understand the greatest needs of our hometown community of Baltimore. Our partnership with the community informed our strategy to make a $1.3 million grant over three years to strengthen West Baltimore and to host a Capacity Building Series for nonprofits. This series was attended by nearly 100 grantees, as we aim to strengthen the nonprofits that support the Baltimore community.

> Continuing our founder’s mission to educate investors, we remain committed to helping children build financial capabilities. In 2016, we reached nearly 1.4 million people through our Money Confident Kids® program by partnering with organizations such as Scholastic and Junior Achievement and offering the popular Star Banks Adventure Game.

> 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. Overall, our greenhouse gas emissions have declined 4% since 2010.

We look forward to building upon our accomplishments by continuing to strengthen our diversity and inclusion efforts, actively engaging with the companies we invest in to encourage more gender diversity on their board of directors, hiring a head of Responsible investing. We also plan to continue the T. Rowe Price Foundation’s Capacity Building Series and launch a classroom version of our Star Banks Adventure game.

Thank you for your interest in learning more about our key CSR initiatives and activities—and how we are advancing priorities that create value for our clients, associates, and communities, now and in the future.

Sincerely,

William J. Stromberg
President and Chief Executive Officer
LETTER FROM THE CEO

EXECUTIVE SUMMARY

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

INVESTING FOR CLIENTS

INVESTING FOR ASSOCIATES

INVESTING FOR COMMUNITIES

ENVIRONMENTAL IMPACT

ABOUT T. ROWE PRICE

Executive SUMMARY
2016 Year in Review

This report tells the story of how and why our approach to Corporate Social Responsibility (CSR) reflects our deepest values.

To us, living our values means putting clients first, always; fostering a diverse and inclusive work culture for our associates; and collaborating with partners to strengthen our communities.

In 2016, we made notable strides in these key areas. We made a $1.3 million grant to support the West Baltimore community, we hosted the inaugural Diversity and Inclusion Leadership Summit, and we reduced our carbon footprint by 4%.

As we look back on this progress, we also need to look ahead at how we can continue to advance our priorities in the years to come. We’re in this for the long term, because we know that our success follows the success of our clients, associates, and communities.

“At T. Rowe Price, we have a commitment to bring long-term value to our clients, associates and communities. This means investing our time, talent and resources into solutions that produce real and lasting change—now and in the future.”

RENEE CHRISTOFF
Head of Corporate Social Responsibility, T. Rowe Price
Supporting the Sustainable Development Goals

In 2015, United Nations member states adopted the 17 Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development to end poverty, protect our planet, and ensure prosperity. Beyond government initiatives, businesses, nonprofits, and civil society have all risen to the challenge. T. Rowe Price is proud to support the SDGs and 2030 global agenda.

The first step in our commitment to support the SDGs is operating responsibly and reaffirming our investment in our communities, associates, and responsible business practices. Our mission is to help our clients achieve their long-term investment goals, and as a global company, there is no better investment for us than the long-term prosperity and well-being of people and our planet.
Our Impact Against the 2030 Global Goals

1. **End poverty in all its forms everywhere**

T. Rowe Price works with clients, communities and partners including Habitat for Humanity, United Way Worldwide and Goodwill Industries to provide families with access to food, housing, educational opportunities and job training to provide immediate assistance for communities, as well as address the factors that lead to long-term, improved economic and social outcomes. We provide our U.S. associates opportunities to volunteer or donate to address poverty-related issues, such as hunger relief in local communities with nonprofit partners including Feeding Tampa Bay, Care and Share Food Bank, and Beans and Bread. We foster community, social and economic development by providing resources and capital to small businesses, building capacity among nonprofits that offer essential services, expanding access to educational experiences through arts and culture and supporting the creative economy by providing professional advancement opportunities such as networking and mentorship as well as business, financial and legal planning services to creatives throughout various stages in their careers. In 2016, we provided a $1.3 million grant to address healthy food access, strengthen the capacity of community leaders, and build financial capabilities for families and small businesses in West Baltimore.

4. **Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

Education and youth development are key components of our commitment to communities. T. Rowe Price associates volunteer or donate to help prepare children and youth for future success through school supply drives, mentoring students and supporting education-focused organizations. We have ongoing partnerships with organizations including Junior Achievement, Scholastic, [PLACEHOLDER FOR UK CHARITY], Teach for America and Big Brothers Big Sisters, among others, to improve educational outcomes for children and youth. Through these partnerships, we sponsor free libraries for children, mentor students, and refurbish classrooms—to ensure that every child has access to quality education and can discover the full range of possibilities that education unlocks.

In addition, we are committed to educating kids in financial concepts to help them establish good financial habits from an early age. Through our Money Confident Kids® program, we are focused on improving financial education in three key areas: teaching good financial habits early; increasing money conversations between parents and kids; and improving educators’ confidence in teaching financial concepts to help provide children with the lessons and skills they need to thrive later in life.

8. **Promote inclusive and sustainable economic growth, employment and decent work for all**

T. Rowe Price aims to promote decent work and stimulate long-term economic growth for all by helping our clients achieve their financial goals, providing our associates with opportunities to grow and thrive in their careers, and building financial capabilities among families and communities. We also recognize the integral role small businesses play in local economies, community development, and economic growth. To strengthen local economies and spark job and wealth creation, we work with the global micro-lending platform Kiva to invest in small businesses by providing access to capital and marketing, technology, finance, communications, and legal services. We also support small business owners and lending in the backyard of our corporate headquarters. Through our ongoing partnership with Kiva, Kiva Baltimore was established to provide access to capital and services to local business owners. We also participate in BLocal, a private-sector initiative in Baltimore to support the local economy and equip small business owners with the capital and resources they need to successfully grow their businesses.

T. Rowe Price believes in the power of partnerships to tackle challenges—both to understand critical needs and to determine systemic, community-based solutions for long-term impact. Along with funding, we provide our partners with capacity-building programming and resources and access to services to make the greatest impact and address sustainable development challenges.
LETTER FROM THE CEO
EXECUTIVE SUMMARY
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Investing for CLIENTS
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 (ESG) 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 cease 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.

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 our business, investing, risk management, and service—both now and in the long term.

Collaboration

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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.

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:

- Carbon Disclosure Project
- United Nations Principles for Responsible Investment
- UK Investor Forum
- Investor Stewardship Group
- Council of Institutional Investors
- Associação de Investidores no Mercado de Capitais
- Asia Corporate Governance Association
- Commonsense Corporate Governance Principles
- UK Financial Reporting Council’s Stewardship Code
- Japan Stewardship Code

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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 supplement our analysts’ assessment of ESG factors, we also use external research partners to provide detailed company-level reports, which help to verify and challenge our in-house views. We also have a proprietary system for analyzing and recording our portfolio managers’ proxy voting decisions and our engagement activities. Additionally, full-time specialists in global corporate governance and legislative affairs are integrated into our research teams to work with our investment analysts and portfolio managers to help them understand relevant political, governance, and regulatory risks.
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. By contrast, we tend to work collaboratively with other shareholders on a policy level, such as advocating with regulators for better disclosure or stronger shareholder rights.

What was new in 2016? Are there new ESG considerations on the table? The assessment of political risk took on heightened importance across our strategies over the course of the year. Political events in 2016—in particular the UK vote to exit the European Union and the election of Donald Trump 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 during the year 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. Our efforts to understand the evolving dynamics are ongoing, as the uncertainty surrounding future environmental, economic, and financial regulation is still present.

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 three categories: light, moderate, or heavy engagement.

We also work with other investors to effect change in our portfolio companies. In 2016, we participated with other members of the UK Investor Forum to engage with a company that was experiencing significant management disruption, sustained poor performance, egregious corporate governance practices, and serious allegations of mistreatment of employees. While the engagement is ongoing, this demonstrates how we collaborate with other investors to work with portfolio companies.

We also 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. Throughout 2016, our analysts and portfolio managers were invited to present to 10 boards of directors in which we have large stakes.
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**

While our 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. Our approach to corporate governance centers on four highly collaborative functions:

- **Business Units**
  Each business unit retains first-line responsibility for its business processes, control environment, and risk. 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.

- **Enterprise Risk Management Approach**
  Enterprise risk management focuses on how the firm proactively identifies and manages business risk within the organization, particularly: reputational risk, strategic risk, operational risk, business continuity risk, human capital risk, compliance risk, and financial risk.

- **Firm-wide 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, oversees, and supports T. Rowe Price’s overall compliance program. Meanwhile, our head of International Compliance, based in the UK, oversees international compliance matters to ensure 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 Audit and reports to the Audit Committee of the T. Rowe Price Board of Directors. The department prepares and administers an annual risk-based strategic audit plan that is reviewed and approved by the Audit Committee.

**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, read our Proxy Voting Policies and 2016 Proxy Voting Summary.

89,380

Proxy Votes

6,718

Shareholder Meetings

30,238

Director Votes
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 (the 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 prevents 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 rewards.

The Executive Compensation and Management Development Committee oversees T. Rowe Price’s compensation, talent development and succession planning. The committee reviews and approves firm-wide 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 long-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 investments portfolios for clients; and performance against 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**

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 from the Legal Department for all political contributions. [ADD MORE DETAILS ABOUT PUBLIC POLICY ENGAGEMENT AND POLITICAL PARTICIPATION AS DISCLOSED HERE. WE ONCE RECEIVED A LOWER RATING WHICH IS WHY WE NOW PUBLICIZE THIS.]

**ENGAGING ON KEY INDUSTRY ISSUES**

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

> Aerican Benefits Counsel
> Australian Institute of Superannuation Trustees
> European Fund and Asset Management Association
> Financial Services Information Sharing and Analysis Center (FS-ISAC)
> Forum of European Asset Managers
> Hong Kong Investment Management 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. When appropriate, we engage with key lawmakers to help shape the laws and regulations they adopt.
Simplifying Clients’ Charitable Giving

Since 2000, the T. Rowe Price Program for Charitable Giving, 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.

“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. The Program for [Charitable] Giving’s website is very user friendly, so it is simple to make gifts to nonprofit organizations.”

CHRISTY AND MATTHEW WYSKIEL
T. Rowe Price Clients and Cofounders of the Baltimore Next Generation Investing Event

The following represent ways in which donors support charities through the Program for Charitable Giving:

1. Establish Your Account
   Make an irrevocable contribution of $10,000 or more using cash or long-term appreciated securities.

2. Receive Current-year Tax Deductions
   Receive a full deduction for your donation (up to the allowable IRS limits) for the tax year when the donation is made.

3. Invest Your Contributions
   Invest for potential growth until you make grant recommendations - choose from six investment pools managed by T.Rowe Price.

4. Recommend Grants
   Recommend grant distributions of $100 or more to your favorite charities at any time.

5. Distribute to Charities
   The program sends a check to qualified charities you have recommended with a letter including the acknowledgement information you have provided.

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. From April 1, 2015, to March 31, 2016, donor contributions to the Program totaled more than $51 million, bringing its total invested assets to over $205 million. During this time, nearly $35 million in grants were made. The Program 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.
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. We are committed to empowering each of our 6,329 associates across 16 countries 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, passions, and business savvy – 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

In 2016, we made tremendous progress in meeting these objectives and established initiatives that will assure continued success in achieving our talent and business goals.
Strengthening Diversity and Inclusion In Leadership

In 2016, we restructured our governance for diversity and inclusion to drive greater accountability across the business. We identified leaders in each business unit to spearhead the execution of this plan and have already seen firm-wide results, particularly at manager and senior levels, with 46% diverse senior-level new hires.

To further ensure accountability and leaders remain focused on these efforts, diversity is tracked and embedded into performance management and successful 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.
Attracting and Developing Diverse Talent

We are invested 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.

As we continue to identify and develop future leaders, diversity is woven into each of our talent processes and monitored to track progress. We make a consistent, firm-wide effort to increase the diversity of candidates, particularly at the senior level. To enable this, we encourage people managers to seek out diverse candidates and explore new recruitment channels and talent sources, so that at least 30% of our 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. In 2016, 46% of senior-level* new hires 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
- Jumpstart
- Morgan State University
- Management Leadership for Tomorrow
- Out + Equal
- Toigo Foundation
- University of Maryland, Baltimore County (UMBC)
- University of South Florida (USF) Muma College of Business

**GROWTH AND DEVELOPMENT**

Once associates have been hired, we strive to provide the opportunities they need to grow their careers, starting with ensuring their voices are heard and respected. To foster inclusivity, we provide unconscious bias training for people managers to spark important conversations and greater understanding. In 2016, we launched a Leadership Forum to raise awareness for the significance of diversity and inclusion, and drive manager engagement around our efforts.

**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, as well as 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, we offer fully paid maternity and paternity leave. Adoption parents are also eligible for up to paid leave, as well as assistance covering adoption costs. Health care benefits for LGBTQ+ and domestic partners and coverage for transgender surgery are provided. Since 2013, we have offered our associates backup child care and elder care in the U.S., 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 the fitness club memberships, offering webinars on healthy living, and providing comprehensive health and dental insurance.
Fostering a Culture of Collaboration and Inclusivity

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.

Diversity by the Numbers

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Female associates</td>
<td>44%</td>
</tr>
<tr>
<td>Minority associates</td>
<td>25%</td>
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<tr>
<td>Board Diversity</td>
<td>46%</td>
</tr>
<tr>
<td>Minority</td>
<td>23%</td>
</tr>
</tbody>
</table>

WORKING GROUPS

Our business resource groups and leadership roundtables build community and culture, and help us identify opportunities relating to talent and business practices. These insights have helped build our brand in diverse communities and have contributed to our existing recruitment and talent acquisition processes. Associates who participate in these groups build their networks, develop their careers, and provide important perspectives that help shape our company.

Women’s Roundtable

The Women’s Roundtable is comprised of female leaders from across the firm and provides learning and development opportunities for female associates, as well as insights on gender-related issues. In 2016, the Women’s Roundtable:

- Held a leadership development series in Maryland, London, and Tampa, involving a total of approximately 500 women. Attendees learned from well-known female executives and networked with leaders across the firm.
- Hosted Diversity Dialogue modules for mid-level female associates across the firm.
- Launched biannual welcome events for new senior-level female hires to promote networking and retention.

Ethnic Diversity Roundtable

The Ethnic Diversity Roundtable (EDR) represents the voices of our minority associates. It aims to foster inclusion so that all associates can flourish, adding value for our clients, which is why the EDR will transition to a Business Resource Group in 2017. In 2016, the EDR:

- Hosted community partner brown bag sessions to promote associate support and involvement with local organizations serving diverse communities.
- Launched a corporate partnership with the Boys & Girls Club of Gilmor Homes in Baltimore.
- Supported M.B.A. and undergraduate recruiting, resulting in 14 diverse hires out of a total of 23 hires.
- Hosted a fireside chat with T. Rowe Price executives to discuss race and the impact of the national racial divide on associates’ experiences.

PRIDE Business Resource Group

We launched PRIDE @ T. Rowe Price to serve as a resource for LGBT+ associates and allies across the globe and provide business insights for the firm. In 2016, PRIDE @ T. Rowe Price:

- 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.
Encouraging 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 set up 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 last year’s edition confirmed that T. Rowe Price is a great place to work and grow. The survey found that 84% of T. Rowe Price associates feel engaged (up from 77% in 2014) and 68% feel enabled to grow, down slightly from 69% 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.

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 matching gifts program; reward their donated time through volunteer service grants; provide paid volunteer workdays; sponsor their favorite nonprofit’s events and initiatives and enable them to share their expertise with organizations through board service and pro bono volunteering. In 2016, associates contributed $7.7 million through workplace giving and volunteered 46,000 hours of their time, and more than 300 of them served on nonprofit boards.

Associate Impact in 2016

- $7.7M through workplace giving
- 46,000 volunteer hours
- 300+ associates served on nonprofit boards

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.

Associate Spotlight:
ROLF HANS ELSENER
Client Relationship Manager, T. Rowe Price

Fostering Inclusion through PRIDE @ T. Rowe Price

“I have been out at work for the past 15 years and seeing the company I work for embracing this topic and supporting the LGBT+ community makes me proud. By openly supporting and talking about diversity, T. Rowe Price sends the message that it’s committed to associates bring their “true self” to work.”

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 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.
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 experience they need to grow. As a site leader, I 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. I help 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 conducive to 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. Conducive to 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.

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Investing for COMMUNITIES
Tailoring Investments for Community-Led Impact

T. Rowe Price serves as a trusted partner to our communities as well as 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

Q&A with John Brothers

What is the T. Rowe Price Foundation’s giving strategy? The communities across our markets all have great needs. In order to ensure our resources drive the greatest impact, 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 impact strategy is focused, yet nimble, with emphasis on supporting initiatives across our three pillars — education, 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 to serve their communities most effectively.

Can you give an example of how your community engagement strategy has led to innovative funding or unexpected opportunities? Involve local leaders and community organizations to 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 to support. One example of this is a woman who runs a weekly music group at a local church in West Baltimore. This group is beloved and regularly frequented by the community, but we had not heard of it before our meetings with community leaders. These are the kinds of local, impactful, and vibrant activities that we look for, and we now provide support for that women’s group.

How does the T. Rowe Price Foundation evaluate impact? We work with our partners to identify tailored metrics for each program, but we also have a holistic set of giving 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 and impact, starting from early stages. We also look for long-term, measurable impact and collaborative approaches to achieve and maximize that impact. Lastly, 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.
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 including Junior Achievement, Room to Read, Teach for America, and Big Brothers Big Sisters 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 renovating classrooms, providing school supplies, training educators, and mentoring students, T. Rowe Price is helping remove barriers that many underserved youth face in achieving educational and career milestones.

For example, in 2015, 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. In 2016, 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.
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. Students from the University of East London work at T. Rowe Price for 12 to 18 months to help develop their professional skills and gain experience working in various departments of investment management. T. Rowe Price supports the United Way in a variety of initiatives including youth development. In 2016, 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 create a comfortable and open environment to discuss issues and emotions that are important to them.

We partner with the Y of Central Maryland to mentor elementary school children across our offices. Our 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 the Y of Central Maryland 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 its Career Day program in Baltimore and Colorado Springs. Though the program, high-school students have the opportunity to learn about the work of the firm and various career paths from T. Rowe Price associates, including both social media and investment management.

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 years 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 2008, we saw a deficiency in the financial education of young kids and sought to improve their financial knowledge and behaviors. Last year, our financial education programs reached a total of 1.4 million people with tools, games, and resources informed by research. We extend that reach with community programs and partnerships—instilling valuable life skills for generations to come.
Broadening Financial Education Outreach

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 peaked 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 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 and one of our largest clients is distinguishing itself in the market.

Money Confident Kids®

Through our Money Confident Kids® program, we are focused on improving financial education in three key areas: teaching good financial habits early, increasing money conversations between parents and kids, and improving educator confidence teaching financial concepts to students.

In collaborating with our partners at Junior Achievement and Scholastic, Inc., we have developed a wide range of financial education tools, games, and resources. Our award-winning Star Banks Adventure™ online game and mobile app takes kids ages 8 and older on a sci-fi adventure, while teaching basic financial concepts—including goal setting, saving and spending wisely, inflation, asset allocation, and diversification.

We continue to support Junior Achievement’s financial education outreach programs. We now have storefronts in Junior Achievement’s BizTowns in all U.S. cities in which we have large offices.

In 2016, T. Rowe Price-sponsored 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 to help teach financial concepts to kids.

Annual Parents, Kids and Money Survey

To better understand financial behavioral trends and opportunities among parents and their kids, we conduct an annual Parents, Kids and Money Survey. In 2016, we found that parents’ reluctance to discuss money with their kids has not translated to an unwillingness to spend on them. Key findings also show that retirement savings suffer as parents mistakenly prioritize college savings over retirement savings. Every year, this research provides critical insight for developing and broadening our financial education strategy and programs.

For example, our 2016 survey also found that many kids (62%) expect their parents to cover the cost of higher education regardless of which college they’d like to attend. Even though many parents (58%) are saving for college, most (65%) can only contribute some money toward it, and feel increased anxiety over student loans and the burden of debt.
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 bestowed to help improve financial education and behavior of both adults and children in the community, in partnership with Junior Achievement, Baltimore Cash, Maryland Cash, Habitat for Humanity, and Kiva. The results increased the financial security of low-income individuals and families, and supported more than 100 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. Sixty-one percent of Kiva Baltimore’s borrowers are women entrepreneurs and 69 percent are entrepreneurs of color.

> 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’ll also help educate residents, including young people, on healthy lifestyle choices.

This grant is the Foundation’s first multi-year commitment and the largest it has pledged at one time. T. Rowe Price has also partnered with grantees to identify volunteer opportunities for our associates to offer their time and talent to support.

“The 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 + Co-Founder; Kiva
Human Services

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, 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.

SUPPORTING OUR VETERANS

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

In 2016, we launched a strategic partnership with the United Services Organization (USO) to support veterans in re-entering the workforce from active duty through grants and associate volunteering. In Tampa, our associates support Operation Gratitude, a group created to lift the spirits and meet the evolving needs of the military and first-responder communities, and Liberty Manor, a nonprofit organization that provides transitional housing to discharged veterans. In Baltimore, associates supported veterans through a partnership with the 8th Branch, an organization leveraging the leadership skills of military veterans to undertake challenging community service initiatives.

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 recent unrest in the city, we expanded our commitment to the area in 2016 by joining the BLocal initiative led by Johns Hopkins University with 20 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, focusing particularly on growth-oriented startups and early-stage businesses. To achieve this, we partnered with Kiva to invest in small businesses by providing access to capital and marketing, technology, finance, communications, and legal services to enable them to grow and thrive. 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 (SBRC) to provide the infrastructure needed to increase the growth and success rate of small businesses.

Building Capacity Among Community Partners

In partnership with the Maryland Association of Nonprofits, the T. Rowe Price Foundation held a series of five capacity-building workshops in Baltimore throughout 2016. The sessions focused on key capacities: leadership, adaptability, management, and technical skills (marketing and communication, fundraising, and development).

Each half-day workshop was attended by approximately 85 grantee organizations and facilitated by local experts to provide attendees with practical tips and tools to improve and strengthen the delivery of their programs and services. According to post-session surveys, attendees found these 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 to small-cap stocks in the investment world,” said John Brothers, President of the T. Rowe Price Foundation. “As we invest time, talent, and treasure 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.”
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 the 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 that 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 public at this thoroughfare.

In 2016, we also made it possible for more than 700 students in West Baltimore to visit the Reginald F. Lewis Museum.

ADVANCING ARTISTIC COMMUNITIES

T. Rowe Price partners arts organizations to help advance local creative communities. We support Womb Work Productions and Single Carrot Theatre, among others, to bring social change theatre 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 (MICA). 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.

Bringing the Wonders of the National Aquarium to Baltimore and Beyond

Since 2012, T. Rowe Price has partnered with the National Aquarium to enable thousands of residents in Baltimore and beyond to experience the wonder of the facility, dive into hands-on environmental education and learn to protect the Chesapeake Bay and all aquatic habitats. In 2016, we began sponsoring Pay What You Want Day, where guests choose their admission fee. The program is part of the National Aquarium’s continuing effort to encourage the local community to reconnect with the world’s aquatic treasures and become inspired to protect the Chesapeake Bay and all aquatic habitats. Additionally, Toby Thompson, Vice President of Equity/Asset Allocation at T. Rowe Price, was elected Chair of the Foundation Board, and Ted Wiese, CFA, head of T. Rowe Price’s Fixed Income division, joined the Board of Directors.
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. In 2016, associates contributed $7.7 million through workplace giving efforts.

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 $4.4 million in 2014. 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 financial literacy, veterans, hunger, LGBTQ+ pride, back-education, and animal welfare. More than 300 associates also serve on the boards of nonprofit organizations, furthering their missions.

While the total number of volunteer hours decreased in 2016, associates’ workplace giving was at an all-time high of $7.7 million.

T. Rowe Price Foundation Giving
Total giving per year

- 2014: $7.5M
- 2015: $8.2M
- 2016: $9.5M

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: Kim Stokes
Vice President, T. Rowe Price Group
Honors Her Father’s Legacy Through the Matching Gift Program

Kim 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 through a scholarship fund in his name, Bowie State University. The Dr. Charles A. Stokes Memorial Scholarship fund has now reached over $100,000 and will be 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 to,” 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 the T. Rowe Price Ethnic Diversity Roundtable’s Onboarding and Community Outreach Committee and serves on the T. Rowe Price Foundation Education Workgroup. She is also a Board member for the Prince George’s Child Resource Center.
Environmental IMPACT

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 [PLACEHOLDER]. Our associates are a critical part of our efforts to reduce waste, increase recycling and establish more sustainable work environments. In 2016, we developed a giving and serving calendar with activities during every month to ensure associates could regularly engage in our collective sustainability efforts.

Download our Environmental Sustainability Policy to learn more about our commitment to making a positive impact on the environment.

### Greenhouse Gas Emissions

**MANAGING GREENHOUSE GAS EMISSIONS**

Our 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.

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<td>Scope 1, 2 + 3 Emissions per Revenue</td>
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*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 onsite 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.

Download our Environmental Sustainability Policy to learn more about our commitment to making a positive impact on the environment.
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 properties achieved sustainable certification, with additional square feet. We expect to achieve additional certifications as we work through a multiyear plan to renovate older buildings.

USING RENEWABLE ENERGY TO POWER OUR CORPORATE CAMPUS

In 2016, our Owings Mills campus began generating electricity using 7,000 solar panels, producing more than 2 million kWh of electricity and avoiding more than MT CO₂e total GHG emissions—or the equivalent to:

- Carbon sequestered by 43,743 tree seedlings grown for 10 years
- GHG emissions from 357 passenger vehicles driven for one year
- EQ
d emissions from 178 homes’ energy use for one year

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-from-waste programs, which divert waste from landfills to generate energy

<table>
<thead>
<tr>
<th>Waste Management Practice</th>
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<tbody>
<tr>
<td>Landfill Waste</td>
</tr>
<tr>
<td>% Change ('14-'16)</td>
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<td>(12% - 6%)</td>
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Carbon sequestered by 43,743 tree seedlings grown for 10 years
GHG emissions from 357 passenger vehicles driven for one year
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LETTER FROM THE CEO
EXECUTIVE SUMMARY
SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS
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Growing Fresh Produce for the Community

One example of a CSR committee-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. For networking and retention.

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, as a founding corporate partner since 2013, T. Rowe Price associates volunteered with the Great Baltimore Oyster Partnership to work 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. T. Rowe Price also donated $15,000 to the Waterfront Partnership in 2016, specifically to support the Oyster Partnership and the volunteer efforts of its associates.

ENGAGING ASSOCIATES TO CULTIVATE SUSTAINABLE HABITS

All of our major global locations have associate-led sustainability teams that identify opportunities to engage associates in sustainable activities to foster a more sustainable workplace, develop recommendations, and implement ideas on site.
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 selecting, 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 15 years with the firm, our Management Committee is composed of six 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 10 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 Steering Committee, Asset Allocation Steering Committee, Risk Management Oversight Committee, Finance Committee, Management Compensation Committee, Product Strategy Committee, and Operational Steering Committee.
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 (CSR) Reports biannually and updates in the intervening years, this report spans the 2016 calendar year and our markets including in the U.S., UK, Europe and Asia unless otherwise noted. 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. All data in this report was verified by XX. 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 T. Rowe Price Group, Inc., with financial data presented in U.S. dollars. Together, they communicate our overall performance as an investment management firm as well as how our business conduct affects the community and the environment.

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 www.troweprice.com. As we continue to strengthen and integrate our CSR efforts, we invite your feedback, insights and comments, and welcome you to e-mail us at CSR_Report@troweprice.com.