



## T. Rowe Price Environmental Policy Statement

As a global investment manager, T. Rowe Price's guiding philosophy is to act in the best interest of our clients and their long-term financial success. The same philosophy guides our approach to environmental sustainability through careful risk management, ensuring our operations minimize their environmental impact and support the long-term well-being of our clients, associates, and communities.

This policy articulates the firm's position on the environmental management of our operations. It does not cover our position or policies regarding sustainable investment, which is covered in our [ESG Investment Policy](#) and our [Investment Policy on Climate Change](#).

### POSITIONS ON KEY ISSUES

#### Climate Change

We recognize that climate change poses a significant risk to the stability of the global economy and will impact our clients, associates, and communities. Our success as a business is inextricably linked with their ability to thrive. We support the transition to a net zero emissions economy in alignment with climate science to limit the increase of global temperature to 1.5 C. Our goal is to achieve net zero in scope 1 and 2 GHG emissions by 2040.

#### Responsible Consumption and Waste Management

We support responsible consumption and waste management. Within our operations, we aim to reduce our sources of waste by seeking out circular economy options. As part of this endeavor, we embrace the need to shift from managing waste once it is created to designing out waste before it is generated. We are targeting zero waste across our real estate footprint by year-end 2025 and aim to phase out all single-use plastics from our facilities by year-end 2025.

#### Biodiversity and Nature Restoration

We recognize the importance of biodiversity and its economic value (e.g., as food, medicine, clean air, raw materials, and tourism). Additionally, we acknowledge the importance of nature for enhancing health, cultural, and spiritual aspects of society. Accordingly, we seek to protect natural habitats through our land use and to reverse the effects of biodiversity loss. To achieve this, we have worked with organizations such as the Waterfront Partnership of Baltimore to maintain oyster gardens next to our headquarters.

#### Water Conservation

We recognize that water is a finite resource and impacted by climate change. We seek to minimize water usage both inside our buildings and throughout our landscape by using low-flow water fixtures, sourcing plant species that demand less water, and regularly measuring water consumption. We are evaluating the prospect of setting a water reduction target.

### OUR APPROACH

To achieve our environmental reduction goals and put our values into practice, we focus on the following areas:

- **Green buildings** – As the need arises to upgrade our existing facilities and seek new locations to support our operations, we invest in new technologies and pursue high environmental standards for our properties. By year-end 2025, we are aiming to have 60% of our global real estate environmentally certified. The relocation of our headquarters in Baltimore and our office in London have provided an opportunity to pursue additional environmental impact measures. For example, our new Baltimore headquarters will feature a water harvesting system that will save approximately 1.55 million gallons of potable water annually—a savings that will help us achieve our goal of securing LEED Platinum status for commercial interiors. By using rainwater in flush fixtures of the building, the potable water usage should be reduced by more than 50%.

- **Renewable energy** – Within our owned real properties, we are seeking to convert all remaining utility contracts utilizing brown power to green power. Our Maryland properties represent the largest portion of our scope 2 GHG emissions. While solar panels at our Owings Mills, Maryland campus provide approximately 15% of the property’s energy, procuring green energy to support the property’s remaining energy needs to continue to be a our priority. Concurrently, as our leased properties come up for renewal, we will work with landlords or evaluate alternative locations that can provide green energy. We are holding ourselves accountable by aiming to increase energy from renewable sources to 50% of total electricity usage by 2030 and 95% of total usage by 2040.
- **Offsetting emissions** – We recognize the over-reliance on carbon offsets to advance net zero ambitions to achieve carbon neutrality. The use of carbon allowances will be applied to T. Rowe Price’s GHG emissions instances in which limited reductions can be achieved. Currently, employee travel represents the largest portion of this. To address GHG emissions from employee business travel, we have partnered with Climate Vault, an award-winning nonprofit, to purchase and “vault” carbon allowances from government-regulated compliance markets. Because the number of allowances is limited keeping them off the market decreases CO<sub>2</sub> emissions and provides a quantifiable carbon reduction. Their approach is easily measurable (1 permit = 1 metric ton of CO<sub>2</sub>), provides price transparency, and is rigorously verifiable.
- **Associate engagement** – We value our associates’ commitment to sustainability and support their active involvement in:
  - **Community-based volunteer events:** We provide associates with environmentally-focused volunteer opportunities in support of causes important to our local communities. Examples of this include regular stream/ beach clean-up events and tending our onsite corporate produce gardens at our U.S. campuses. Each year, hundreds of pounds of produce grown in our corporate gardens are donated to local nonprofits.
  - **Sustainability Networks:** We encourage associate participation in our Sustainability Networks to empower associates, foster teamwork, and reduce our collective environmental impact. Located at most of our major offices worldwide, these teams develop and propose environmental initiatives to Corporate ESG and Corporate Real Estate & Workplace Services. Examples of key initiatives include hosting an electronic recycling drive for associates, promoting the use of reusables, and celebrating Earth Week.
- **Sustainable Procurement** – We seek partnerships with suppliers to support our environmental commitments, including our efforts to report on the environmental impact of our value chain when applicable. We plan to report scope 3 emissions from purchased good and services in 2024.

## GOVERNANCE AND MANAGEMENT

As public supporters of the Task Force on Climate-Related Financial Disclosures (TCFD), we introduced an amendment to the [charter](#) of the Nominating and Corporate Governance Committee (NCGC) of the Board of Directors that expressly grants the NCGC oversight of climate-related issues. As a result, the NCGC receives at least semi-annual updates from the firm’s Corporate ESG team on climate and sustainability issues and closely monitors progress against climate goals.

In 2022, we established the ESG Enablement team to centralize and optimize the firm’s ESG initiatives. This team drives ESG activities across the firm and includes Corporate ESG; ESG Product, Strategy, and Analytics; ESG Marketing and Communications; and ESG Operations.

## **REPORTING AND DISCLOSURE**

We are committed to providing timely and accurate information to our stakeholders. As members of the IFRS Foundation, which oversees the Sustainability Accounting Standards Board (SASB), and supporters of the TCFD, we utilize these frameworks to serve as the foundation of our ESG disclosures, as published in our annual [ESG Corporate Report](#). We believe that both frameworks provide investors and issuers a helpful understanding of what ESG issues are most material and offer decision-useful comparability and transparency in ESG data.

The annual ESG Corporate Report is part of our suite of publications. Our objective is to provide a thoughtful and comprehensive view of our commitment to ESG and sustainability across several publications, such as our [Annual Report](#) and [Proxy Statement](#). We also publish an [ESG Investing Annual Report](#), which is focused on our approach to responsible investing. Additionally, as members of the United Nations Global Compact, we report our progress on supporting its Ten Principles, three of which are focused on the environment, in our annual [Communication on Progress](#).

More information is available at [troweprice.com/CorporateESG](https://troweprice.com/CorporateESG).