T. Rowe Price

Governance & Sustainability Policy Statement

Updated as of October 2025

This document reflects the Governance and Sustainability Policy Statement of T. Rowe Price Associates, Inc. (TRPA), and its investment advisory affiliates, including T. Rowe Price Investment Management, Inc. (TRPIM), and T. Rowe Price (Luxembourg) Management S.à r.l., collectively referred to as "T. Rowe Price."

TRPIM was established as a separately registered U.S. investment adviser, with a separate ESG team from TRPA. Decisions for TRPA and TRPIM ESG teams are made completely independently, but use a similar approach, framework, and philosophy.

Background

At T. Rowe Price, our priority is helping our clients achieve their long-term investment goals. Thomas Rowe Price, Jr., founded our company during the Great Depression with a belief that the long-term potential of companies could be determined by evaluating the risks and opportunities to their business. He committed to firsthand research, establishing one of the world's first dedicated research departments. Proprietary research is still at the heart of our approach, and includes globally-based fundamental research analysts, quantitative analysts, governance and sustainability analysts, among other capabilities. Our investment research platforms position us to help our clients meet their desired outcome, whether that is maximizing financial performance or delivering specific sustainability goals.

The vast majority of our clients have given us a sole mandate to deliver financial performance - in these investment products, governance and sustainability factors are considered where we believe they are relevant* and financially material. This policy statement provides an overview of the way T. Rowe Price integrates the analysis of governance and sustainability factors into the investment process for the purpose of maximizing financial performance (known as "ESG integration").

Separately, some clients have goals that are not purely financial. As such, we offer a separate set of investment products that seek to invest in ways that align with our clients' values, promote environmental and social characteristics or the delivery of environmental and/or social objectives. Information on the investment processes for these products can be found in their product specific disclosures.

	Financial Only	ESG Enhanced	Net Zero	Impact
Objective	Seeks to deliver competitive financial returns	Seeks to promote specific ESG characteristics alongside financial returns	Seeks to deliver financial returns while promoting the transition to net zero	Seeks positive societal and/or environmental impact alongside financial returns
Approach	Analyzes ESG factors for the purpose of maximizing investment performance	Incorporates binding social and/or environmental commitments that vary by product type, such as: • Customized exclusions • Greenhouse gas (GHG) reduction targets • Alignment to sustainable investments • Customized benchmarks • Positive ESG tilt	Customized mandate seeks to align with 1.5°C scenario by incorporating commitments, such as: • Portfolio net zero status • Net zero stewardship • GHG emissions reduction • Climate solutions alignment • Climate-related Principle Adverse Impacts (PAIs) • Customizable options	All investments meet T. Rowe Price's impact criteria and are supported by: • Impact thesis • Theory of change • Measurable key performance indicators (KPIs)

* The breadth of investment strategies at T. Rowe Price means the materiality of ESG factors to the investment case may vary from strategy to strategy and across regions, industries, and sectors. For example, ESG considerations will be less relevant to an investment strategy that predominantly trades securities such as cash instruments, derivatives, etc., versus an investment strategy focused on equities. Fundamental analysts and portfolio managers take this issue of materiality into account in their investment process.

TRPIM does not currently have any net zero or impact products.

TRPA and TRPIM have separate research platforms and make investment decisions independently. Unlike TRPA's global platform, TRPIM is U.S.-focused.

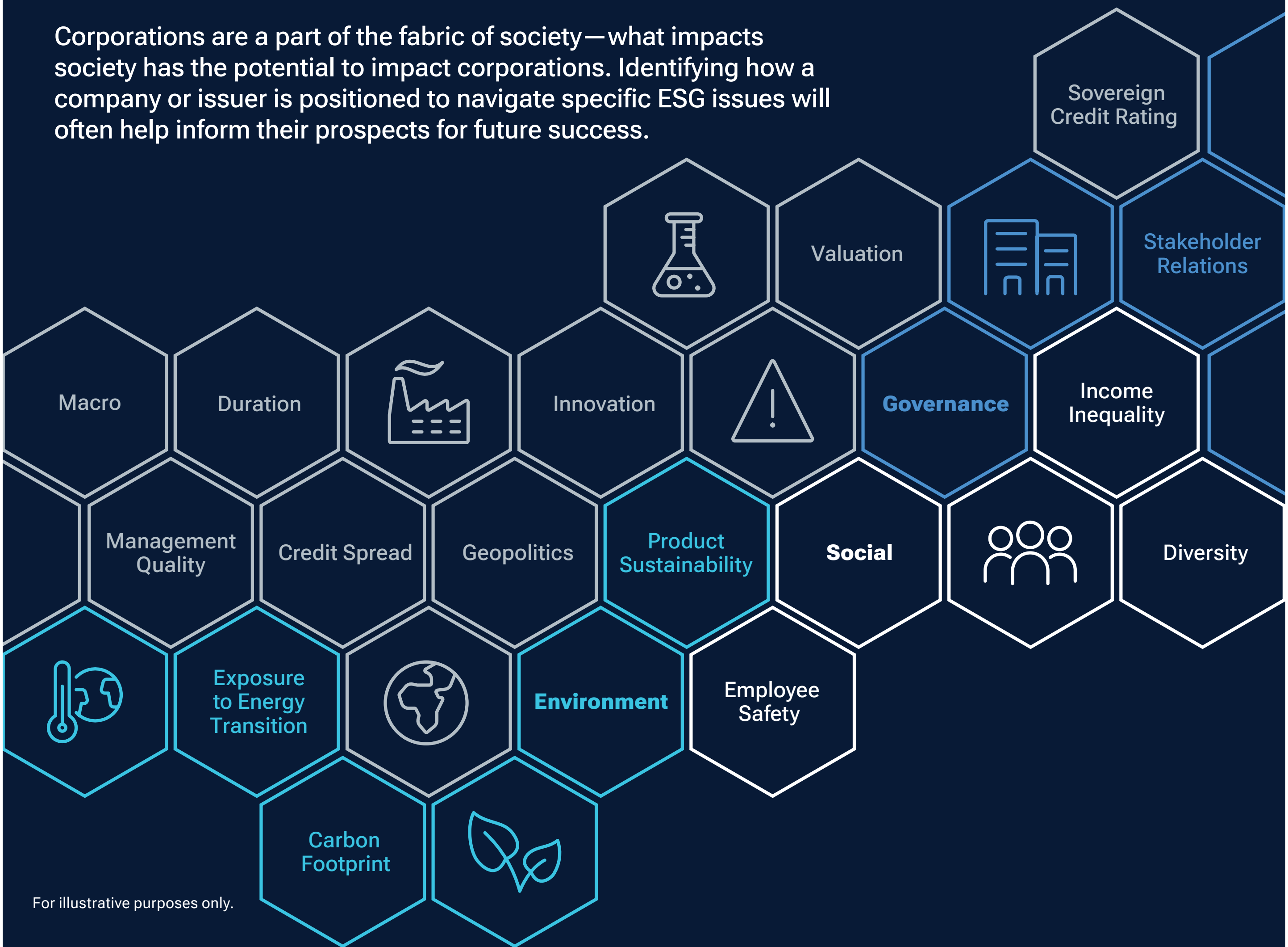
Philosophy

We believe that governance and sustainability factors can influence investment risk and return, and therefore, we integrate them into our fundamental investment analysis, where relevant*. We define ESG integration as the incorporation of governance and sustainability factors into investment analysis for the purpose of maximizing investment performance. This helps us meet our fiduciary obligations to clients, as we focus on the governance and sustainability factors that are financially material. We view ESG integration as a core investment capability. As such, we have embedded dedicated governance and sustainability resources into our investment research platforms.

Our philosophy is that governance and sustainability factors are evaluated alongside more traditional investment factors such as valuation, financials, industry trends, and macroeconomics. Where these factors are financially material, they are considered as part of the investment decision.

The Investment Mosaic

Corporations are a part of the fabric of society—what impacts society has the potential to impact corporations. Identifying how a company or issuer is positioned to navigate specific ESG issues will often help inform their prospects for future success.



For illustrative purposes only.

* The breadth of investment strategies at T. Rowe Price means the materiality of ESG factors to the investment case may vary from strategy to strategy and across regions, industries, and sectors. For example, ESG considerations will be less relevant to an investment strategy that predominantly trades securities such as cash instruments, derivatives, etc., versus an investment strategy focused on equities. Fundamental analysts and portfolio managers take this issue of materiality into account in their investment process.

The integration of governance and sustainability factors includes such steps as:

- Identification and monitoring of governance and sustainability data for use in security analysis;
- Consideration of governance and sustainability risks and/or opportunities through fundamental analysis;
- Consideration of governance and sustainability risks and/or opportunities within the portfolio;
- Engagement with Boards, managements, nonfinancial stakeholders, or government officials; and
- Proxy voting (for equities).

The primary responsibility for determining the impact of governance and sustainability factors on clients' investments lies with our analysts and portfolio managers, who are supported by our specialist ESG teams. Our approach is driven by the following principles:

- **Integration**—As ESG integration requires balancing governance and sustainability factors with other investment factors, the responsibility for integrating these factors lies with our analysts and portfolio managers.
- **Collaboration—**In order to support our investment professionals' capacity to incorporate governance and sustainability factors into their decision-making, we have specialists in governance, sustainability and regulatory research within our investment research teams who work closely with our analysts and portfolio managers and provide governance and sustainability research.
- **Materiality—**We focus on the governance and sustainability factors we consider most likely to have a material impact on the performance of the investments in our clients' portfolios.

Process

ESG integration at T. Rowe Price is a collaborative process between portfolio managers, research analysts, and dedicated ESG specialist resources. Our specialist governance and sustainability teams at TRPA and TRPIM provide investment research on environmental, social and governance issues at the security and industry level and on thematic topics. Our equity and credit analysts utilize governance and sustainability research in their fundamental analysis (where financially material). TRPA and TRPIM have each built a proprietary responsible investing indicator model (collectively RIIM[1]), which forms the foundation of our ESG integration process. RIIM provides two key benefits:

1. RIIM provides a uniform standard of due diligence on ESG factors across our investment platforms; and
2. RIIM establishes a common language for our analysts, portfolio managers, and ESG specialists to discuss how an investment is performing on governance and sustainability and to compare securities within the investment universe.

We have developed RIIM frameworks across asset classes covering equities and corporate bonds, sovereign bonds, municipal bonds, and securitized bonds[2]. The RIIM frameworks are unique for each asset class as the level and type of environmental, social and governance data available vary across asset classes.

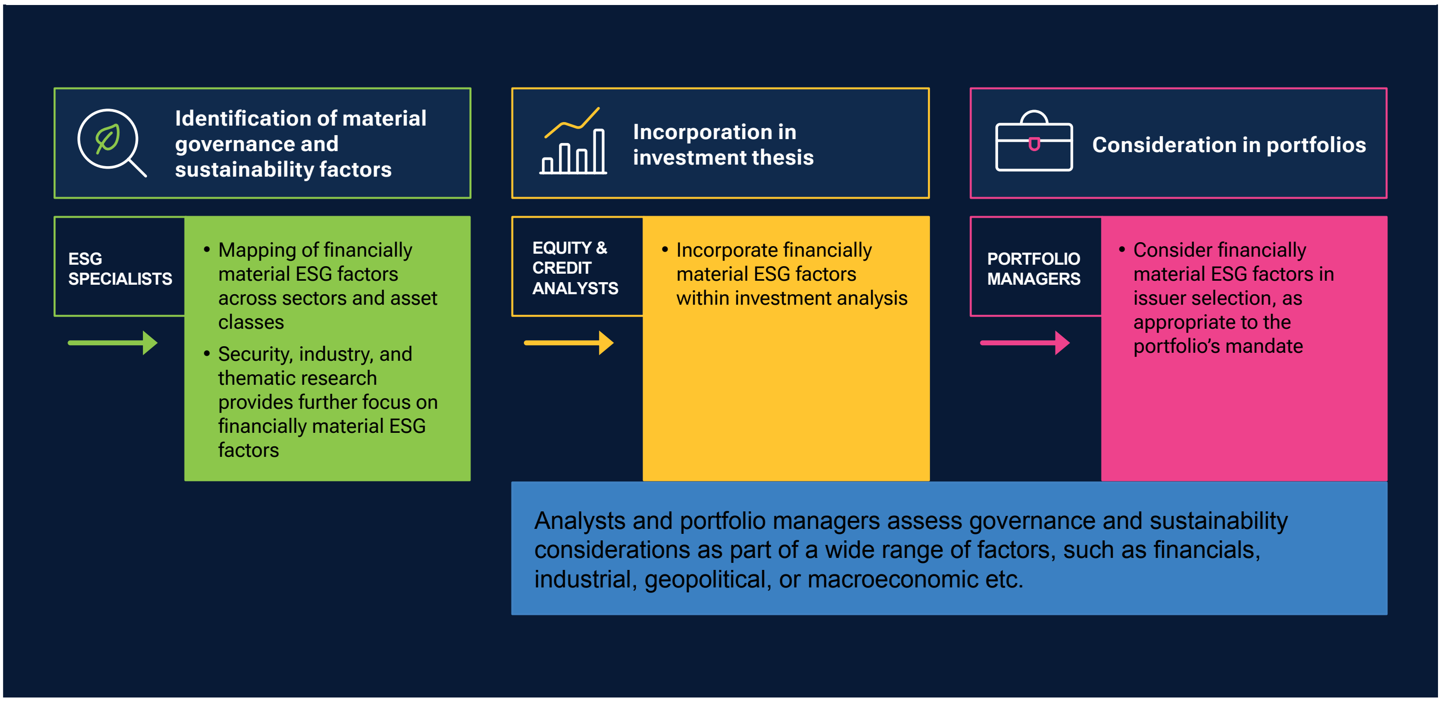
For corporate, sovereign, and select categories of securitized bonds, we are able to leverage quantitative environmental, social and governance data sets and feed those directly into our RIIM frameworks. This allows us to generate a RIIM profile for a wide breadth of issuers. This quantitative set of scores is an important starting point in our governance and sustainability evaluation process as it helps to identify any outliers, both positive and negative. Additionally, it creates a baseline of understanding of our investment universe from which we can delve deeper using fundamental analysis on a narrower universe of securities. Having the breadth of coverage provided by using this quantitative data as a first step is also instrumental in informing our engagement program.

[1] RIIM refers to the proprietary responsible investing indicator models built by TRPA and TRPIM. RIIM rates issuers using a traffic light system; where green indicates no/few ESG concerns, orange indicates medium ESG concerns, and red indicates high ESG concerns/risk. The TRPA RIIM model has a framework for rating corporate, sovereign, securitized and municipal issuers, whereas the TRPIM RIIM model only has a framework for rating corporate issuers.

[2] The implementation and oversight of RIIM for TRPA and TRPIM differ. The TRPIM RIIM covers equities and corporate bonds only. TRPA has RIIM coverage of more than 15,000 corporate issuers, 200 sovereign issuers, 1,700 municipal issuers, and 1,400 securitized issuers. TRPIM has RIIM coverage of approximately 6,500 corporate issuers. For certain types of investments, including, but not limited to, cash, currency positions, and particular types of derivatives, an ESG analysis may not be relevant or possible due to a lack of data. Where ESG considerations are integrated into the investment research process, we may conclude that other attributes of an investment outweigh ESG considerations when making investment decisions.

For municipal and some categories of securitized issuers, the environmental and social data universe is still developing. In these instances, we have not yet found data sets that we believe are robust enough to directly integrate into the RIIM framework, our credit analysts leverage our in-house ESG specialists, third-party research, and their own fundamental research to develop a RIIM profile for each issuer.

The graphic below details the ESG integration process utilized at T. Rowe Price.



Assessment of governance and sustainability factors[3]

When determining which data points to evaluate across an industry/region, we take a thoughtful analysis of each criterion and ask ourselves a series of questions, including:

- Is the factor material to the underlying investment?
- Is the factor a meaningful contributor to environmental or societal burdens/tailwinds?
- Is there a robust data point underpinning that factor?
- Is the data point a quantitative or qualitative assessment?
- If the data point is qualitative, what level of subjectivity has been incorporated?
- Are the data uniformly disclosed? Are issuers using the same reporting standard?
- Are the data commonly disclosed within an industry/region?

Our approach to environmental and social factor integration is highly differentiated at the sector and industry levels. Materiality to the underlying business model is one of the key determinants used in our analysis.

[3] The assessment of environmental and social factors for RIIM for TRPA and TRPIM differ.

	Environmental Factors	Social Factors
Consumer Discretionary	Eco-design product/electric vehicles Responsible sourcing (cotton, synthetic textiles, etc.) Waste management	Treatment of workers in the supply chain Employee relations (unions/“living wage” workers) Customer behavior (online shift)
Consumer Staples	Organic products hydrochlorofluorocarbons phaseout Responsible sourcing (palm oil and other agri-products)	Fair trade products Supply chain management (vulnerable agri-chains) Human health impact (sugar, tobacco, etc.)
Energy	Methane emissions Risk of stranded assets Refinery/chemical emissions	Employee and contractor health and safety Relations with local communities Bribery and corruption
Financials	Sustainable financing Environmentally related products (drought protection) Natural catastrophe risk	Human capital management (talent retention) Cybersecurity Business ethics
Health Care	Water usage Waste disposal	Product safety Cybersecurity Appropriate marketing/lobbying practices
Industrials	Energy-efficient products Intermodal transportation shifts Manufacturing environmental footprint	Bribery and corruption (aerospace and defense) Product safety Robotics
Information Technology	“Smart” appliances and infrastructure Water usage (semiconductors) Product end of life	Data privacy Responsible sourcing (conflict minerals) Human capital management (talent retention)
Materials	Emissions Efficient building products Responsible pesticide usage	Employee and contractor health and safety Relations with local communities Bribery and corruption
Real Estate	Eco-friendly buildings “New cities” infrastructure	Local communities/affordable housing Demographic shift/aging population
Telecommunications	Intelligent and efficient network infrastructure	Cybersecurity Improving lives through connectivity Responsible sourcing (conflict minerals)
Utilities	Shift toward distributed power Electric mix shift toward renewables/grid stability Stranded assets	Employee and contractor health and safety Relations with local communities Human health impact (particulate emissions)

This table is meant to provide a representative sample of the types of factors that could be assessed, and it is not an exhaustive list.

We focus on the governance factors that we consider to be most relevant given the issuer’s sector, region, and asset class. However, our objective is to support governance practices designed to enhance and preserve long-term shareholder value. We employ a governance lens to our company analysis throughout the life cycle of an investment. While we maintain a highly contextual, company-specific approach to assessing corporate governance, we believe the following principles can be applied to corporates across the globe:

- The importance of Board accountability to investors
- Shareholder rights in reasonable proportion to economic ownership
- A Board structure that fosters independence, a mix of perspectives, and effectiveness
- Incentive structures for Boards, management, and employees that are aligned with the company’s strategy

Other factors that we consider include the robustness of the internal controls' framework and whether the external auditor provided a qualified opinion. We also expect to have independent directors on a company's Audit Committee provide robust oversight of the financial reporting and control framework.

Particular attention will be paid to the Board's handling of any environmental, social or governance controversies, including those related to employee relations and tax. The company's policies, practices, and level of disclosure will also be considered in the assessment of Board oversight. We employ both qualitative and quantitative approaches to the assessment of governance practices. Depending on the severity of the issues and whether there are any mitigating circumstances (e.g., where a company appears to be trying to remediate the problem), the company may be added to the T. Rowe Price significant governance concerns list.

Asset class considerations[4]

The following graphic includes a non-exhaustive list of factors used for ESG integration in each asset class.

	Environmental	Social	Governance
Equities and Corporate Bonds	Adaptability of sourcing	Access to skilled labor	Accounting standards
	Biodiversity impact	Bribery/corruption record	Audit practices
	Emissions intensity	Conflict minerals sourcing	Antitakeover provisions
	Environmental track record	Customer preference shift	Board composition
	Hazardous chemicals use	Data privacy standards	Board expertise
	Impact of carbon taxation	Diversity statistics	Bond covenants
	Integration of eco-design	Fair trade sourcing	Financial transparency
	"New cities" infrastructure	Health and safety record	Management remuneration
	Pesticide safety standards	Lobbying standards	Share issuance policies
	Product end of life	Local community relations	Shareholder rights
	Regulatory dynamics	Marketing standards	
	Site restoration provisions	Product safety record	
	Stranded asset risk	Robotics integration	
	Sustainable product sales	Stakeholder relations	
	Sustainable raw materials	Supply chain standards	
	Waste recycling (mgmt.)	Talent retention	
	Water intensity	Technology shift	
Sovereign Bonds	Agricultural capacity	Crime and safety	Bond covenants
	Air pollution/emissions	Education levels	Corruption
	Climate change impact	Employment levels	Institutional strength
	Ecosystem quality	Food security	Rule of law
	Energy dependency	Human rights	Institutional quality
	Energy resources	Income inequality	
	Risk of stranded assets	Institutional quality	
	Water resources	Poverty	
		Public health	

[4] RIIM asset class considerations vary between TRPA and TRPIM. The TRPIM RIIM only covers equities and corporate bonds.

	Environmental	Social	Governance
Securitized Bonds	Exposure to green activities—e.g., renewables, electric vehicles Exposure to energy transition risk Exposure to physical climate change risk Green building certifications Energy efficiency	Exposure to affordable housing Income inequality Level of homeownership Population dynamics Contribution to wealth inequality	Bond covenants ESG disclosure Internal controls and loan modification standards Originator ESG standards and track record Sponsor performance and legal history Originator underwriting practices Regulatory standards Timeliness and quality of financial reporting
Municipal Bonds	Exposure to green activities—e.g., renewables, electric vehicles, public transport Exposure to energy transition risk Exposure to physical climate change risk Issuer's management of environmental footprint	Accessibility of health care Crime and safety Education levels Employment levels Exposure to social activities—e.g., hospitals, schools, transport Income inequality Population dynamics and trends Positive social contributions Poverty levels Quality of infrastructure	Bond covenants Quality of management Quality of governance and Board Quality of elected officials and key government staff Timeliness and quality of financial disclosure

ESG Enhanced, Net Zero and Impact—investment products with ESG mandates

Select clients' investment goals are not purely financial. As such, we offer differentiated investment products that promote environmental and/or social characteristics through use of exclusions, alignment to sustainable investments, and positive tilts to RIIM scores or targeting specific environmental and/or social objectives, such as the transition to net zero or positive environmental or societal impact. These are dual-mandate products, where the client has elected to pursue specific sustainability criteria alongside financial returns. Additionally, we manage separate accounts that promote environmental and/or social factors selected by the client. While RIIM forms the cornerstone of our ESG integration analysis, it is supplemented by several other proprietary frameworks that we have developed in house to evaluate securities for investment products seeking to deliver on sustainability-related objectives.

For information on T. Rowe Price's proxy voting, engagement, and exclusions approach, please refer to the following documents on our Policies page.

Important Information

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

The information contained herein is as of October 2025 and is subject to change without notice.

The information provided in this material does not include content relating to Oak Hill Advisors, L.P., an alternative credit manager, which T. Rowe Price Group, Inc., acquired on December 29, 2021. This information is not intended to reflect a current or past recommendation, investment advice of any kind, or a solicitation of an offer to buy or sell any securities or investment services. The opinions and commentary provided do not take into account the investment objectives or financial situation of any particular investor or class of investor. Investors will need to consider their own circumstances before making an investment decision. Information contained herein is based upon sources we consider to be reliable; we do not, however, guarantee its accuracy.