

Net Zero Status Framework Disclosure

(a) an overview of the rating methodologies used and changes thereto, including whether analysis is backward-looking or forward-looking and the time horizon covered;

The Net Zero (NZ) Status Framework (NZSF) is a proprietary methodology used to help determine the extent to which corporate issuers have established and are implementing credible Net Zero transition plans that are science-based.¹

The T. Rowe Price Associates, Inc. (TRPA) NZSF follows the guidelines of the Paris Aligned Investor Initiative (PAII) Net Zero Investment Framework (NZIF)² and separately assesses Scope 1-2 and Scope 1-3 statuses.

Net Zero Status is assigned at the security level. This framework currently applies to corporate issuers and corporate securities. Over time, more asset classes may be added to the framework.

Net Zero Status is not assigned at the portfolio level. However, the distribution of Net Zero Status may be aggregated at the portfolio level.

The framework uses both backward-looking and forward-looking information. Backward-looking inputs include reported emissions, historical emissions trends, company disclosures and third-party data. Forward-looking inputs include emissions targets, decarbonisation plans, capital allocation alignment, climate strategy and analyst assessment of transition credibility and whether it is science-based.

The NZ Status methodology provides a point-in-time assessment based on the information available at the time of assessment. A company's status may change as new data becomes available, or as the methodology is updated.

The TRPA NZSF classifies issuers into one of five categories, depending on which criteria are met such as ambition, targets, emission performance, disclosure, decarbonization strategy and capital allocation alignment. The categories are:

Achieving: The company or corporate issuer is already achieving the emissions intensity required by the sector and regional pathway to be considered science-based, and whose ongoing investment plan or business model is expected to maintain this performance.

Aligned: The company or corporate issuer has a science-based 2050 net zero goal supported by interim targets, exhibits carbon emissions intensity performance in line with these targets and has a credible decarbonization plan and capex alignment.

Aligning: The company or corporate issuer has science-based interim targets and has a credible decarbonization plan.

Committed: The company or corporate issuer has a long-term science-based net zero goal.

¹ A science-based target is one that is aligned with the best available climate science regarding what is required to limit global warming to internationally agreed temperature goals. Currently, a science-based target is aligned to limiting warming to 1.5 degrees Celsius.

² Please refer to parisalignedassetowners.org/media/2021/03/PAII-Net-ZeroInvestment-Framework_Implementation-Guide.pdf for more information.

Not Aligned: All other companies/corporate issuers, including those where no data is available or who have net zero targets that are not considered to be science-based.

(b) the industry classification used;

N/A – the methodology does not differ by industry or sector.

(c) an overview of data sources, including whether data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088 and whether sources are public or non-public, and an overview of data processes, estimation of input data in case of unavailability and frequency of data updates;

The NZSF uses a combination of internal research, company disclosures, third-party data and analyst assessment. Data sources include both publicly available information and information obtained through licensed third-party data providers.

Public sources may include annual reports, sustainability reports, climate transition plans, emissions disclosures, regulatory filings and other company-published materials. Where relevant and available, these may include sustainability statements prepared under Directive 2013/34/EU, including Corporate Sustainability Reporting Directive (CSRD) reporting, and information disclosed under Regulation (EU) 2019/2088 (SFDR). Such information may be used directly by analysts or indirectly, where incorporated into third-party datasets.

Data updates vary by source and provider. Vendor data may be updated daily, weekly or monthly. TRPA data platforms are reviewed regularly to incorporate new data, updates to reference data, changes to model inputs and any manual adjustments.

Where data is incomplete, unavailable, or no longer current, the NZSF may rely on a combination of approaches, including:

- use of the most recent available data; and/or
- application of proxy data or estimates, where appropriate

Such manual inputs are subject to governance controls, including restricted access, documented rationale, and periodic review. Manually entered or adjusted data points are subject to revalidation over time to ensure continued relevance and accuracy.

The T. Rowe Price ESG technology team is responsible for implementing data quality and processing controls. These controls include automated checks on data ingestion, monitoring of data completeness, and review of data quality. Where issues are identified, they are escalated for review and correction.

Although vendor data is not always delivered daily, the data platform models are re-run daily to pick up any changes in reference data, manual data, model weights and other relevant data reference points. Historical data is retained to support auditability, verification, and controlled re-

runs where correction is required. T. Rowe Price's ESG specialist teams also review vendor data quality on an ongoing basis and monitor the continuing suitability of external data providers.

Despite these controls, limitations may arise from differences in data availability, reporting standards, timeliness, and consistency across issuers, sectors, and jurisdictions. These limitations are addressed further in sections (m) and (q).

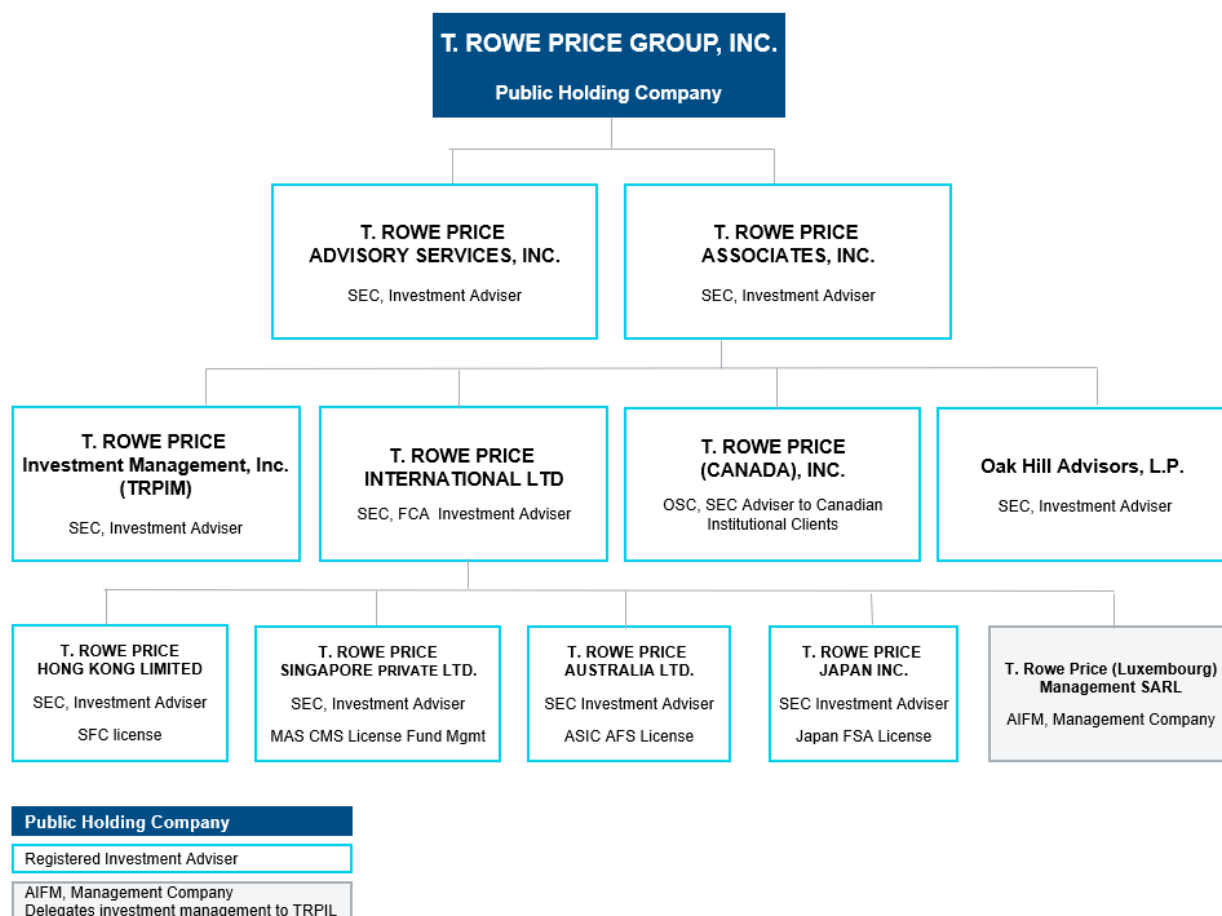
(d) the ownership structure of the ESG rating provider;

T. Rowe Price Group, Inc., (TRPG), is an independent, publicly traded company with significant employee ownership. TRPG is the direct or indirect owner of multiple subsidiaries, including T. Rowe Price Associates, Inc. (TRPA), which is an SEC-registered investment adviser. For the purpose of this disclosure, references to "TRPA" include certain subsidiary investment advisers: T. Rowe Price International Ltd., T. Rowe Price Hong Kong Ltd, T. Rowe Price Japan, Inc., T. Rowe Price Singapore Private Ltd, T. Rowe Price (Canada), Inc., and T. Rowe Price Australia Limited.

T. Rowe Price Investment Management, Inc. (TRPIM) is a separate SEC-registered investment adviser with fully independent research, ESG, and trading functions, and is also a subsidiary of TRPA.

TRPA and TRPIM maintain separate investment research, ESG, and trading functions and operate separate Net Zero Status frameworks. The relevant ESG and research teams within those entities are responsible for the operation, oversight, and development of their respective Net Zero Status methodologies.

Note that Oak Hill Advisors, L.P. is not in scope of this disclosure.



(e) information on whether and how the rating methodologies are based on scientific evidence;

The NZSF is informed by scientific, technical and evidence-based sources relevant to climate transition assessment. A hierarchy of institutions play different roles in informing what should be considered a science-based pathway. This includes institutions that inform on climate science, carbon budgets and emissions pathways – such as the Intergovernmental Panel on Climate Change (IPCC) and United Nations Framework Convention on Climate Change (UNFCCC) as well as institutions that develop detailed sector pathways and/or company specific frameworks – such as the International Energy Agency (IEA), Science-Based Targets initiative (SBTi) and Net Zero Investment Framework (NZIF) guidance.

Scientific and technical evidence is considered when identifying relevant net zero alignment indicators, including emissions performance, emissions targets, decarbonisation strategy, capital allocation alignment and transition-plan credibility. These sources help inform whether a company's stated strategy and emissions trajectory are consistent with a science-based pathway to net zero.

(f) information on the ESG rating's clearly defined objective and marking whether the rating is assessing risks, impacts, or both, according to the double materiality principle, or any other dimensions, and in the case of double materiality the proportion of the risk and impact materiality;

The objective of the NZSF is to measure the extent to which an issuer is aligned with, or progressing toward, a credible, science-based net zero pathway. It is a metric that can be used to assess both risks and impact.

The primary objective of NZSF is to support T. Rowe Price's investment research and due diligence processes by providing a structured view of climate transition alignment and related transition risk. In this context, Net Zero Status may be one of several metrics considered in their evaluation.

The NZSF can also be used as a target setting metric for investment portfolios that have a net zero or climate-related objective.

The European Union's double materiality principle assesses sustainability from two complementary perspectives: (1.) how a sustainability factor affects the issuer, also referred to as "financial materiality"; and (2.) how the issuer's activities affect a sustainability factor. As the NZSF assesses the Net Zero Status across all sectors (not just those where GHG emissions are considered financially material), the framework is compatible with the European Union's double materiality principle.

(g) the ESG rating's scope, namely, whether it covers an individual E, S, or G factor or whether it is an aggregated rating aggregating E, S and G factors, or whether it covers specific issues such as transition risks;

The NZSF produces a metric that is specific to climate transition. It does not assess the full range of Environmental, Social and Governance factors and does not produce an aggregated ESG rating.

The framework assesses specific climate-related topics, including emissions performance, emissions reduction targets, decarbonisation strategy, capital allocation alignment, disclosure quality and transition-plan credibility. These topics are used to determine whether an issuer is categorised as Achieving, Aligned, Aligning, Committed or Not Aligned.

(h) in the case of an aggregated ESG rating, the weighting of the three overarching E, S and G categories of factors (for example 33 % for the E factor, 33 % for the S factor, 33 % for the G factor), and the explanation of the weighting method, including weight per individual E, S and G category;

The NZSF does not produce an aggregated ESG score or rating.

(i) (j) within the E, S or G factors, specification of the topics covered by the ESG rating, and whether they correspond to the topics from the sustainability reporting standards

developed pursuant to Article 29b of Directive 2013/34/EU; information on whether the rating is expressed in absolute or relative value;

The rating covers the Environmental factor only. More specifically, it focuses on climate change-related topics and therefore corresponds to ESRS E1 (Climate Change) under the sustainability reporting standards developed pursuant to Article 29b of Directive 2013/34/EU. It does not cover Social or Governance topics.

The Net Zero Status is expressed as an absolute status category rather than as a relative ranking against peers. An issuer is classified as Achieving, Aligned, Aligning, Committed or Not Aligned based on whether it meets the relevant criteria at the time of assessment. The status reflects the issuer's assessed position against the framework criteria, not its ranking relative to other issuers.

(k) where applicable, reference to the use of artificial intelligence in the data collection or rating process including information about current limitations and risks of using artificial intelligence;

The NZSF uses automated data feeds from third-party vendors, proprietary data sets and rules-based criteria as part of the data collection and assessment process. Third-party data vendors may use generative AI as part of the data collection process. Additionally, AI may be used in the collection of proprietary data sets.

These tools support the assessment but do not, on their own, determine the final outcome where analyst judgment or manual review is required. Limitations may include incomplete data coverage, delays in vendor updates, differences in third-party methodologies, stale data, or incorrect classification of data inputs.

T. Rowe Price seeks to mitigate these limitations through analyst review, data quality controls, governance over manual inputs and overrides, and periodic review of data providers and methodology performance.

(l) general information on criteria used for establishing fees charged to clients, specifying the various elements taken into consideration, and general information on the business/payment model;

The NZSF is used within T. Rowe Price's investment and research processes. T. Rowe Price does not currently provide Net Zero statuses to rated entities or external clients as a separate commercial service.

Accordingly, T. Rowe Price does not charge a separate fee specifically for the provision of Net Zero statuses as a standalone ESG rating product. The NZSF forms part of T. Rowe Price's broader internal research, due diligence, and investment process infrastructure.

(m) any limitation in data sources and methodologies used for the construction of ESG ratings

Data-related limitations may arise where emissions data, transition-plan information, capital allocation data or target validation information is incomplete, inconsistent, or delayed. Scope 3 emissions data may be particularly limited due to differences in reporting quality, methodology and availability.

(n) the main risks of conflicts of interest and the steps taken to mitigate them;

T. Rowe Price does not operate the NZSF as an ESG rating business and does not receive payment from rated issuers in exchange for assessing a security or issuer's progress towards net zero alignment. This reduces certain conflicts commonly associated with external credit or ESG rating business models.

However, potential conflicts of interest may still arise in connection with the use of the NZSF within investment and research processes, including where analyst judgment is exercised, or as a result of the operating model under which T. Rowe Price both determines the methodology and relies on the resulting assessments for investment decision-making.

T. Rowe Price seeks to mitigate these risks through governance controls, including restricted override permissions, documentation and audit commentary requirements, and oversight by relevant ESG research, compliance and technology functions. The NZSF is also supported by data processing controls, review procedures, and internal governance arrangements designed to promote consistency and appropriate challenge.

(o) if an ESG rating of a rated item covers the E factor, information on whether that rating takes into account the targets and objectives of the Paris Agreement or any other relevant international agreements;

The NZSF takes account of the targets and objectives of the Paris Agreement by assessing whether corporate issuers are aligned with, or progressing toward, a net zero pathway consistent with limiting global temperature increases to 1.5°C by 2050. It does this through the assessment of climate-related matters such as emissions, decarbonisation strategy, climate targets, and related energy and transition considerations.

These elements are assessed by reference to recognised net zero and climate transition frameworks, including PAII and IIGCC guidance where relevant.

(p) if an ESG rating of a rated item covers the S and G factors, information on whether that rating takes into account any relevant international agreements;

The NZSF does not assess Social or Governance factors as standalone rating.

(q) any limitation on the information available to ESG rating providers.

The information available for the NZSF may be limited by a number of factors, including incomplete public disclosure, differences in issuer reporting practices, delays in reporting cycles,

lack of standardised emissions methodologies, limited Scope 3 data, or gaps in third-party vendor coverage. These limitations may be particularly relevant for private companies, pre-IPO issuers, smaller issuers, and issuers in markets where climate-related disclosure is less mature.

In such cases, T. Rowe Price may rely on the ESG analyst's research, controlled manual inputs, or proxy assessments aligned with the relevant methodology in order to form a view of the issuer's Net Zero status. However, limitations in the underlying information available may affect the completeness, timeliness or comparability of Net Zero status outputs.

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 July 2026 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.

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