T. Rowe Price

2024 Stewardship Report

INVEST WITH CONFIDENCE™

Foreword

The year 2024 saw technological developments driving extraordinary innovations, while at the same time the global economy adjusted to a world of higher-trend inflation, higher interest rates and greater volatility. Against this backdrop, we saw encouraging signs that T. Rowe Price is on the right path. We remain on track to reduce net outflows this year, although the process is taking more time than we had initially hoped. Our active exchange-traded fund franchise is expanding, we are deepening our retirement leadership position with the launch of innovative retirement offerings and our associates are advancing our strategic initiatives across the business.

We now have the following US Securities and Exchange Commission (SEC)-registered investment advisers—T. Rowe Price Associates, Inc., and its investment advisory affiliates (together, TRPA), T. Rowe Price Investment Management, Inc. (TRPIM) and Oak Hill Advisors, L.P. (OHA)—that are independent of one another, each with independent research and investment teams and their own environmental, social and governance (ESG) specialists and products.

The Stewardship Report provides an opportunity to review the work our associates are undertaking in the areas of ESG integration, engagement, voting and policy advocacy to support the needs of our clients. Our fiduciary duty is to meet our clients' investment objectives, and we are privileged to serve the needs of a global and diverse client base. The majority of our clients have given us a mandate to deliver financial performance, while some have given us a dual mandate to deliver a sustainable objective alongside financial performance. As a predominantly active manager, our voting and engagement activities are undertaken to strengthen the investment thesis for holding a particular issuer. We are long-term investors, and that requires us to be thoughtful, active owners, but never activists.

In addition to discussing the work of our investment advisers, the report also sets out the work the firm is undertaking to improve our corporate sustainability and talent management practices.

This year, T. Rowe Price was pleased to receive a number of honours, including:

- *Fortune*[1] magazine's World's Most Admired Companies 2024—the 14th consecutive year that the firm has received this recognition
- *Newsweek*'s Most Trustworthy Companies in America 2024
- *Forbes* list of America's Best-in-State Employers 2024
- *USA Today*'s America's Climate Leaders 2024

Looking forward, our teams are focusing on 2025 and identifying the areas where we will invest to drive future growth and deliver new capabilities to best serve our clients. I look forward to sharing these developments in next year's report.

Eric Veiel
Head of Global Investments and CIO

Spotlight: Global Stewardship Reporting

The 2024 report demonstrates our alignment with the 2020 UK Stewardship Code. However, the 2020 code and the revised EU Shareholders' Rights Directive (SRD II) are closely linked, so Appendix A details our disclosure obligations under both the UK code and SRD II.

We have been signatories to the Japan Stewardship Code since 2014, and Appendix B contains a mapping between the expectations in the Japan code and the content within this report. Additional disclosures, including a Japanese translation of this report, subsequently will be made available on our website.

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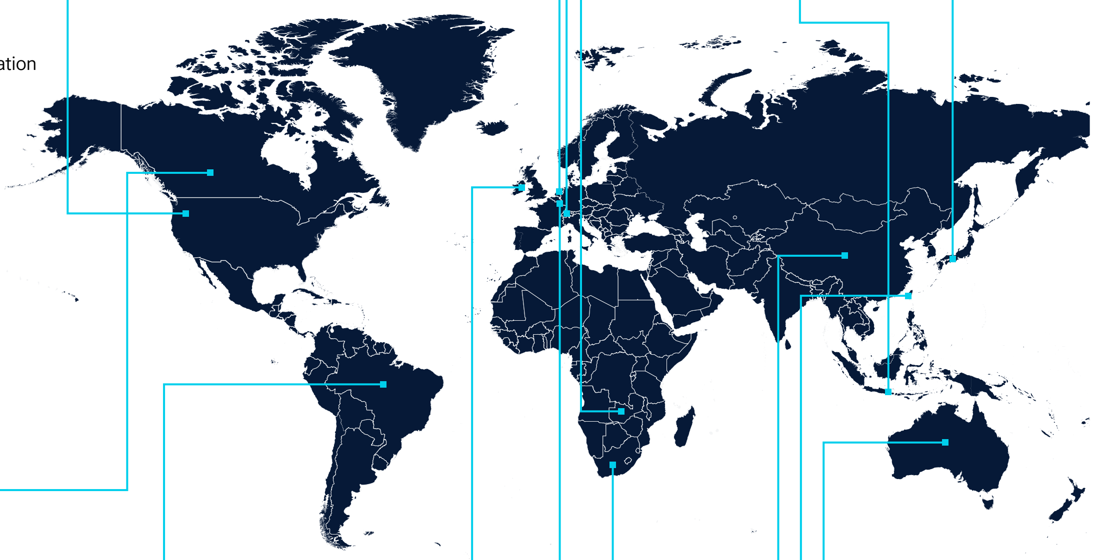
Case Studies



US
- Acadia Healthcare Company, Inc.
- Albemarle Corporation
- CCC Intelligent Solutions
- Chesapeake Utilities
- Enerpac Tool Group Corp.
- JPMorgan Chase & Co.
- Liberty Energy, Inc.
- Morgan Stanley
- ProAssurance Corporation
- Blueprint Medicines Corporation
- CyrusOne Data Centers
- Exxon Mobil Corporation
- Fannie Mae
- Ford
- Meta Platforms, Inc.
- Southwest Airlines
- State of Maryland
- Terreno Realty Corporation
- Tesla, Inc.
- Vector Group
- Vertiv Holdings
- Warrior Met Coal Inc.

Canada
- Maple Leaf Foods
- Suncor Energy Inc.

Brazil
- Itau
- Klabin
- Petrobras

UK
- Anglian Water
- AstraZeneca Plc.
- Northumbrian Water
- Severn Trent
- Smith & Nephew Plc.
- Southern Water
- South West Water
- Thames Water
- United Utilities
- Victrex
- Wessex Water
- Yorkshire Water

Luxembourg
- ArcelorMittal

Netherlands
- AerCap
- Prosus NV

Switzerland
- Alcon AG
- Nestle S.A.

Zambia
- Zambia

South Africa
- Anglo American Platinum
- Impala Platinum
- Naspers Ltd
- Northam Platinum
- Sibanye-Stillwater

Indonesia
- Sumber Alfaria Trijaya

Japan
- LY Corp
- Mitsubishi UFJ Financial Group, Inc.
- Sumitomo Mitsui Trust Holdings, Inc.
- Taiyo Yuden

Australia
- Australia
- Woodside Energy Group Ltd.

Taiwan
- BizLink Holding Inc.

China
- Bethel Automotive Safety Systems
- Inner Monogolia Yili
- Li Auto Inc.

Key
- ● TRPIM
- ■ TRPA

(Entries from Acadia Healthcare Company, Inc. to ProAssurance Corporation are marked TRPIM; all other entries are marked TRPA.)

PRINCIPLE 1

Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.

T. Rowe Price purpose, promise and principles

At T. Rowe Price, we identify and actively invest in opportunities to help people thrive in an evolving world. As a premier global asset management organisation, we're deeply focused on our clients' investment objectives, working closely with them to help achieve their long-term financial goals. We take an active approach to investing, offering our dynamic perspective and meaningful partnership so our clients can feel more confident. With more than 85 years of experience, we provide a broad range of investment solutions across equity, fixed income and multi-asset capabilities for clients around the world—from individuals to advisers to institutions to retirement plan sponsors. Our guiding principles below are what connect us, driving how we work together every day to help our clients meet their long-term financial goals.

Championing an active, independent approach to investing

We're independent thinkers, united behind an active and rigorous approach. With diverse perspectives, our investment professionals collaborate to identify market risks and opportunities that can give our clients sharper insights and an investment edge. But we do more than just analyse the numbers. We go beyond the numbers, leveraging best-in-class global research capabilities to uncover opportunities for investors that others might overlook.

Pursuing performance with principle

We're committed to our clients' success. That's why we maintain a long-term view as we aim to deliver consistently strong performance for investors in up and down markets. Deep experience—through many market cycles—keeps us focused on what's most important as markets shift. And we work together with our clients, providing a full range of solutions and vehicles to meet diverse needs and delivering the kind of dynamic perspectives investors need to stay ahead of change. This approach goes beyond investing. In every aspect of our business, clients can expect us to rely on principles that have stood the test of time.

Driving deliberate innovation

To meet the evolving needs of our clients, we create investment and retirement offerings in a way that's forward-thinking and purposeful. For us, it's not about being first. It's about looking for ways to better serve clients. With embedded experts around the world, we're constantly analysing trends, studying client needs and evaluating emerging opportunities so we can advance our capabilities and services in ways that drive the most value for our clients.

Building meaningful partnerships

We listen to understand our clients—and to learn. This helps us create deep partnerships. By understanding clients' needs and delivering timely, actionable insights and solutions, we help them navigate change and achieve better outcomes. We see partnership as a two-way street, a place where clients' goals meet T. Rowe Price expertise. From each insight to every investment, our singular focus is on our clients and their success.

About us

T. Rowe Price Group, Inc. (Group), is a stable and well-capitalised independent investment organisation with a sole focus on investment management and related services. Founded in 1937, we have operated as a publicly traded corporation, with significant employee ownership, since 1986. Our strong balance sheet provides a stable financial foundation, enabling us to focus on and serve the investment management needs of our global client base. Among our clients are many of the world's leading corporations, public retirement plans, foundations, financial intermediaries, sovereign entities, global institutions and private individuals. As a global investment organisation, we offer a full range of actively managed investment solutions across equity, fixed income, multi-asset and alternatives.

Our corporate structure

T. Rowe Price Group, Inc., is a holding company that directly or indirectly owns the various T. Rowe Price corporate entities, including T. Rowe Price Associates, Inc. (TRPA), T. Rowe Price Investment Management, Inc. (TRPIM) and Oak Hill Advisors, L.P. (OHA). Further details can be found in Principle 2.

Foundations

- Founded in 1937; went public in 1986
- 8,158 associates worldwide
- Presence in 17 markets

Assets in our care

- US$1,606 trillion assets under management (AUM)[1] (+11.2% year-on-year change)
- As of 31 December 2024, US$83 billion[2] (5% of total AUM) were deemed to be in accounts with a mandate that includes ESG criteria, defined by portfolios that apply screening or are sustainably themed

Global client base

- Clients and shareholders in 54 countries
- 45 different languages spoken by our associates firmwide[3,4]

Stable investment and leadership teams

- 935 investment professionals
- 366 research professionals[2]
- 42 ESG investment professionals
- 21% of Management Committee based outside the US
- Average tenure:
  - 17 years for portfolio managers[2]
  - 16 years for our Management Committee

All data as of 31 December 2024. Oak Hill Advisors, L.P., operates as a stand-alone business within T. Rowe Price, with autonomy over its investment process, and maintains its own culture, associates and teams, including its own specialist ESG team. Decisions for the OHA ESG & Sustainability team are made independently of those of TRPA or TRPIM.

[1] Firmwide AUM includes assets managed by T. Rowe Price Group, Inc.

[2] ESG AUM data are not audited. Further information can be found in Principle 6.

[3] Firmwide, associates have self-identified and self-reported as speaking 45 different languages.

[4] Excludes OHA.

Our purpose and investment beliefs

Capabilities
We're driven by our purpose: To identify and actively invest in opportunities to help people thrive in an evolving world. Our diversified distribution model has long been a source of stability, but we continuously seek opportunities to enhance and expand our investment capabilities. We provide an array of commingled funds, subadvisory services, separate accounts, collective investment trusts, retirement recordkeeping and related services for individuals, advisers, institutions and retirement plan sponsors.

Principles and people
Our guiding principles—championing an active approach, pursuing performance with principle, building meaningful relationships and driving deliberate innovation—are what connect us, driving how we work together every day to help our clients meet their long-term financial goals. Our intellectual rigor helps us seek the best ideas for our clients, our integrity ensures that we always put their interests first and our stability lets us stay focused on their goals as we pursue better investment outcomes.

Priorities
We continue to deliver against our multiyear strategic objectives, which include delivering world-class client service, investment excellence, innovation of our investment capabilities and attracting and developing diverse talent. One of the ways we do this is by being a partner to our clients, growing long-term relationships built on trust in our abilities and information sharing. See Principle 6 for more information.

The T. Rowe Price active investing approach

Our active management investment approach gives us the ability to design products to perform.

Our research process is driven by experts equipped with a world of information across sectors, regions and asset classes, who leverage global connections and vast resources to gain an information edge.

We are fuelled by a curiosity that encourages our associates to ask better questions to challenge each other's thinking and examine investment opportunities from every angle.

By synthesising insights and recognising patterns, we can look beyond common narratives to identify differentiated investment ideas.

A holistic view for better outcomes
This investment approach leads to a more comprehensive picture of the investable universe, allowing us to position our investments for long-term success and offer a broad range of portfolios to meet clients' specific investment needs.

How ESG integration fits into our investing approach

Our philosophy is that ESG—environmental, social and governance—forms part of our overall investment approach; it is not the sole driver of an investment decision, nor is it considered separately from more traditional investment factors such as valuation, financials, industry trends and macroeconomics. At T. Rowe Price, integrating ESG factors into our investment research supports one of our core beliefs: that the long-term potential of companies can be determined by evaluating the risks and opportunities to their business.

We believe that ESG issues influence investment risk and return, and we incorporate them into our fundamental investment analysis. Our analysts and portfolio managers are responsible for implementation. It is the portfolio managers' responsibility to incorporate ESG analysis, as appropriate to their strategy, into the investment decision. Consideration of the full spectrum of risks and opportunities most applicable to a given investment is reflected in our analysts' ultimate recommendations on an issuer's securities. Our in-house ESG specialists provide quantitative tools and research to help analysts and portfolio managers identify the ESG issues that they believe matter most. Depending on the strategy, portfolio managers may apply extra layers of implementation by screening their portfolios for ESG issues on a periodic basis. Examples of how we consider ESG in our investment decisions and engagement activities are provided in Principles 4, 7, 9, 10, 11 and 12.

2024 strategic priorities—notable developments

We are committed to our heritage of deep fundamental research and position of responsibility. These help us to understand and identify positive change for our clients, associates and society. In 2024, this commitment was demonstrated in a multitude of ways.

Investor Climate Action Plan
In 2024, we published our first Investor Climate Action Plan (ICAP). Decarbonisation of our financed emissions will be client-led, in line with our fiduciary duty. These enhanced disclosures will continue to evolve over time in response to increased regulations around the globe.

Formalisation of Investment Policies on Biodiversity and Human Rights
The ESG Investing Committees approved two new investment policies in 2024: the Investment Policy on Biodiversity and the Investment Policy on Human Rights. Each policy provides an overview of the way we integrate the analysis of biodiversity or human rights factors, respectively, into the investment process and describes how these considerations can affect the investments we make on behalf of our clients.

Product launches and product enhancements

Our global scale and integrated research approaches allow us to deliver products that meet the changing preferences of clients. See Principle 6 for more on how we identify product needs. To better serve our clients in markets around the world, we've continued to develop our product offering in the following ways:

- Partnership with the International Finance Corporation (IFC)[5] on a pioneering emerging markets blue economy bond strategy. Blue financing is an emerging area of sustainable finance, helping to support ocean-friendly or clean water projects that form a part of the blue economy. See Principle 6 for more information.

- We launched our fifth impact strategy—Global Impact Short Duration Bond. It was developed for EMEA clients looking to generate a positive environmental or social impact whilst achieving a financial return through investment in short-term debt.

- To comply with the European Commission's confirmation that Article 9 products under the Sustainable Finance Disclosure Regulation (SFDR) must only invest in sustainable investments,[6] we changed the methodology used to qualify and calculate an investment's sustainable contribution from percentage of economic activity to a pass/fail approach.

- Effective 1 December 2024, two of our existing Select Investment Series III Societé d'investissement à Capital Variable (SICAV III) funds changed their investment policies to become net zero transition[7] funds. They promote environmental and social characteristics through their commitment to reduce the carbon footprint of their portfolios over the long term, thereby contributing towards the goal of limiting global warming to 1.5˚C by 2050.

- In December 2024, two of our impact open-ended investment company (OEIC) funds gained approval to use the Sustainability Impact label under the Financial Conduct Authority's Sustainability Disclosure Requirements (SDR) regime.

ESG reporting

To meet our regulatory obligations and client requirements, we continued to enhance our TRPA and TRPIM ESG research tools, including our Responsible Investing Indicator Models (RIIMs). We also enhanced our ESG reporting. Highlights from 2024 include:

- Added RIIM profiles of fund and benchmark to 31 December 2023 ESG reports for our SICAV and open-ended investment company (OEIC) funds, which were made available to clients during the first quarter of 2024. We expanded this to other investment vehicles effective 31 March 2024.

- Developed a Climate Analytics report to support reporting for our Net Zero Transition strategies.

- Added reporting of sustainable investments data to fact sheets for our SICAV funds, effective 31 July 2024.

- Expanded our capabilities and coverage of strategies in scope for the Carbon Emissions Template.

Our approach to corporate sustainability reporting

In this section, we share highlights related to our firm's sustainability targets and progress across environmental, social and governance factors. More details can also be found in our annual Sustainability Report.

Sustainability disclosure frameworks and alignment with international standards

T. Rowe Price is a member of the International Financial Reporting Standards (IFRS) Sustainability Alliance, which encompasses the Sustainability Accounting Standards Board (SASB) and the former Task Force on Climate-Related Financial Disclosures (TCFD). As members of the ISSB Investor Advisory Group (previously SASB Investor Advisory Group), the director of Research–Responsible Investing (TRPA) and the head of ESG (TRPIM) contribute strategic guidance on the development of sustainability disclosure standards.

One of our key advocacy priorities is to support the improvement and comparability of sustainability-related reporting by recommending that jurisdictions adopt standards developed by the International Sustainability Standards Board (ISSB): IFRS S1 (general sustainability) and IFRS S2 (climate related). We believe that the adoption of both IFRS S1 and S2 disclosure standards represents a significant step towards aligning corporate sustainability reporting frameworks in order to provide decision-useful disclosures for investors. In this regard, in 2024, we responded to 11 consultations encouraging the jurisdictions to adopt these standards.

In the coming years, we will evolve our SASB and TCFD disclosures to fully align with the new IFRS standards.

The firm is a signatory to the United Nations Global Compact (UNGC) and supports the United Nations Sustainable Development Goals (SDGs). Further details can be found at troweprice.com/corporatesustainability.

Environmental sustainability

Addressing climate change is the focal point of our environmental strategy. We recognise that climate change poses a significant risk to the global economy and the stability of financial markets. We support the goals of the Paris Agreement because we believe that a smooth climate transition will create a more stable economic environment, reduce uncertainty and enable business investment.

The development and publication of climate transition plans, with improved disclosures and data quality, will help advance these endeavours. Additional information is available at troweprice.com/NetZero.

[5] T. Rowe Price and IFC are not affiliated companies.

[6] Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee (portfolio) companies follow good governance practices.

[7] Net zero refers to a state where greenhouse gas emissions added to the atmosphere are balanced by removals (such as through forests or carbon capture and storage).

Climate transition plan summary

As an Asset Manager		As a Company
Stewardship	**Products and Mandates**	**Operations**
– Advocate for industry standards regarding climate disclosures. – Active stewardship programme that incorporates climate issues. – Publish our engagement and proxy voting statistics.	– Suite of impact products. – Investment solutions that apply the Net Zero Transition Framework. – ESG integration seeks to maximise risk-adjusted financial returns and considers climate risks and opportunities when financially material.	– Achieve net zero Scope 1 and 2 emissions by year-end 2040. – Reduce GHG emissions by 75% by year-end 2030 compared with 2021 base year. – Initiatives to reduce Scope 3 emissions from operations.
Engagement with stakeholders and industry		

Our people and our culture

We were founded on a client-first mindset. From the moment we began, our clients came first. When he founded the company in 1937, Thomas Rowe Price, Jr., resolved that integrity would be the firm's guiding principle.

The firm offers our associates flexibility within a collaborative culture, which is vital to build a model that sustains our culture and supports the well-being of our associates.

We strive for equity, opportunity and equality for all associates at the firm.

A diverse and inclusive workforce and equal opportunity for all associates is a business and cultural imperative in today's dynamic business environment. Our Management Committee and Board of Directors ensure we set ambitious standards for the way we recruit, hire, mentor and develop talent.

> "At T. Rowe Price, our legacy of purpose means that we work every day to do right by our clients, so they can invest confidently towards their financial futures. The long-term success of our clients is made possible by the diversity of backgrounds, perspectives, talents and experiences of our associates.
>
> – Raymone Jackson
> Global Head of Community Investment and Diversity, Equity, and Inclusion, T. Rowe Price

Supporting our associates

Spotlight: Associate Value Proposition

In 2024, we refreshed our Associate Value Proposition, which represents the experience that the firm strives to provide for its associates under five key pillars:

- **Supporting associates' paths** through development and leadership programmes
- **Enriching associates' lives** through benefits provided by the firm
- **Going further together** because of our collaborative culture that respects and values difference
- **Impacting today and tomorrow** through opportunities to make a difference—at work and in the community
- **Pursuing possibility with principle** in everything we do

T. Rowe Price fosters associate growth opportunities by offering training, mentoring and a culture that lets our associates explore their potential. In all our global locations, we offer employee benefit solutions, including health care and retirement benefits (where applicable), fitness club reimbursement, life insurance, tuition assistance, Degreed (an upskilling platform that connects learning, talent development and internal mobility opportunities in one place, available globally) and an Employee Assistance Program to support well-being.

We assess the competitiveness and design of benefits within the relevant market for a given country and seek to align them with our global principles and local market practice. For example, retirement programmes are uniquely designed to support associates in meeting retirement goals whilst also reflecting regional and country-specific practices in Asia, Europe and the Americas. Additional benefits offered to our associates in 2024 included:

- **Hybrid working:** Due to the success of our associates' ability to work remotely, we offer many associates options for hybrid working, allowing them to work from our office locations and from remote locations.
- **Wellness days:** For the fifth year, the firm continued offering wellness days in addition to all associates' annual leave allocation.
- **Remote work weeks:** Associates were offered the opportunity to work from home or request to work from an approved remote work location during traditionally quieter times of the year. This was for a week during summer and an additional two weeks in November/December over holiday periods.
- **Travel discounts:** Associates and their families can take advantage of the firm's corporate travel discounts and rates when booking getaways or holidays.

T. Rowe Price uses associate feedback to inform firmwide decision-making. We conduct an annual engagement survey, pulse surveys and focus groups to gather associate insights. We are committed to a culture of open and transparent dialogue between the firm and associates. We collate and act on feedback to inform leadership's ability to optimise the associate experience and to make appropriate business decisions.

Attracting diverse talent and fostering an inclusive work environment

Leveraging the talents and expertise of a diverse and inclusive workforce and providing access and opportunity to all associates is a business and cultural imperative. We recruit and engage candidates with different backgrounds and experiences who bring new perspectives. Our talent acquisition team continually enhances our recruitment and outreach strategies for all qualified applicants.

Inclusion is at the centre of our talent strategy as it is a performance multiplier for our workforce and enables us to drive outcomes for our clients. The backgrounds, talents and insights of our global associate population allow us to embrace the ideas and perspectives that can lead to innovative outcomes.

Total US workforce[8]

	Male							Female						
EEO Classification	Hispanic or Latinx	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	Hispanic or Latinx	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races
Executive management	0.68%	53.06%	4.76%	–	6.80%	–	0.68%	0.68%	27.21%	2.72%	–	3.40%	–	–
Non-executive management	1.45%	44.09%	2.69%	0.16%	9.88%	0.16%	1.34%	1.13%	31.15%	3.17%	–	3.81%	0.16%	0.81%
Professional	2.80%	37.19%	5.21%	0.13%	9.79%	0.13%	1.14%	2.18%	27.08%	5.69%	0.13%	6.18%	–	1.33%
All other employees	2.94%	34.87%	7.74%	–	2.22%	0.06%	1.86%	3.90%	27.17%	15.13%	0.12%	2.64%	0.12%	2.22%
Grand Total	**2.42%**	**38.87%**	**5.13%**	**0.10%**	**7.88%**	**0.12%**	**1.36%**	**2.28%**	**28.44%**	**7.26%**	**0.09%**	**4.59%**	**0.07%**	**1.38%**

[8] To ensure consistency across our reporting and minimise oprational burden, we align our disclosure with our EEO-1 data, which does not include an "undisclosed" category. Definitions are based on the US Equal Employment Opportunity Commission's EEO-1 Survey. As of 31 December 2024, our US associate population (regular associate population, excluding interns, fixed terms, and contingent worker(s) represents 83% of our global workforce.

From our Management Committee to our regional cross-functional senior leaders, we have a governance structure that ensures we have high standards for recruiting, hiring, mentoring and developing talent as well as identifying opportunities to maximise our inclusion and diversity progress throughout business functions and associate-led networks. In 2024, our focus was on strengthening the associate experience. Notable activities and outcomes in this area in 2024 included:

- Hosted inclusive programming sessions on topics such as civil discourse and the impacts of the US Supreme Court decision on affirmative action.
- Continued evolution of our global disability inclusion strategy and support of our new disability-focused business resource group, THRIVE, through its first full year. We first reported on THRIVE in our 2023 Stewardship Report.
- Formation of an internal working group to address proposed diversity, equity and inclusion regulatory changes in the UK.
- Continued investment into our team to drive strategy that meets the firm's evolving needs and deliver results.

Associate-led diversity, equity and inclusion initiatives via our BRGs

Our business resource groups (BRGs)—MOSAIC (which celebrates ethnic diversity), PRIDE (which promotes LGBTQ+ inclusion), WAVE (which champions gender equity), VALOR (which honours the contributions of veterans and their families) and THRIVE (which promotes disability inclusion)—provide important perspectives that help shape our company culture, especially in recruitment, talent acquisition, business development and retention. At the end of 2024, 55.3% of global associates were members of at least one BRG. BRGs are open to all associates. They provide valuable information and support programmes. Together, they serve to reinforce our inclusive culture, support associates' career development and extend our brand in the community.

In 2024:

- T. Rowe Price hosted mentoring opportunity events for all to help associates learn about resources to grow their careers, improve their performance and increase their impact.
- Our BRGs have produced three learning pathways in our firm's Learning Management System this year. Topics included Lunar New Year, veteran mental health and well-being and a learning plan focused on a variety of disability inclusion-related topics.

Investing in communities

We pride ourselves on making an impact far beyond our walls, supporting positive change in the communities where we live and work—and beyond. We leverage the skills, resources and expertise of our associates to harness our collective power to invest in opportunities that enrich lives and enable equitable solutions. Our efforts come to life through deep relationships that include pro bono and volunteer opportunities and experiences, grantmaking, associate giving, community partnerships and signature programming.

- **Baltimore, Maryland:** In 2024, the T. Rowe Price Foundation (Foundation) announced US$6.5 million in grants spanning three years to address critical gaps of Baltimore's nonprofit sector. This commitment includes US$2.25 million to be distributed over three years amongst eight nonprofit initiatives focused on building a healthy nonprofit community in Baltimore. In addition, the Foundation will award more than US$3 million in multiyear general operating grants across more than 140 nonprofits.
- **Colorado Springs, Colorado:** The Foundation further announced in 2024 that it would grant US$550,000 to key areas of impact in Colorado Springs' nonprofit sector in support of three focus areas: food and housing insecurity, behavioural health and youth suicide and education.

Awards and recognition

T. Rowe Price is dedicated to helping people pursue their possibilities and thrive in an evolving world. We were founded on the principle that our success comes when we do right by others. That's why we are proud to be recognised for our efforts to serve clients, associates and the communities where we live and work, as well as for the products and services we provide. Recent accolades and achievements include:

- *Fortune*[9] magazine's World's Most Admired Companies 2024—the 14th consecutive year that the firm has received this recognition
- *Newsweek*'s Most Trustworthy Companies in America 2024
- *Forbes* list of America's Best-in-State Employers 2024
- *Newsweek*'s America's Greenest Companies 2024
- *USA Today*'s America's Climate Leaders 2024
- Environmental Finance's Sustainable Investment Awards 2024 Winner: ESG investment initiative of the year, Americas
- Management Leadership for Tomorrow's Silver Certified Black Equity at Work Certification
- Responsible Investment Associate Australasia's Responsible Investment Leader 2024

See our website for further details.

[9] Fortune® is a registered trademark, and Fortune World's Most Admired Companies™ is a trademark of Fortune Media IP Limited and are used under license. Fortune and Fortune Media IP Limited are not affiliated with, and do not endorse products or services of T. Rowe Price.

Closing reflection

2024 saw improvements to our corporate sustainability and talent management practices. We have also continued to develop our product offering, to better serve our clients in markets around the world, and have also refreshed our Associate Value Proposition.

PRINCIPLE 2

Signatories' governance, resources and incentives support stewardship.

Robust governance structures and processes

Our governance structure is designed to protect the interests of the stockholders in T. Rowe Price Group, Inc. (Group), and those of our clients. The interests of our corporate stockholders are distinct from those of investment clients, and there are separate Boards of Directors to represent each. The T. Rowe Price Group, Inc., Board of Directors (Board) seeks to represent the interests of our stockholders, employees, clients and the communities we serve, ensuring that our policies, practices and actions reflect the highest levels of ethics and integrity. As part of the Group corporate governance structure, we have several regional subsidiaries, each of which has responsibility for understanding local client and regulatory expectations. Sound corporate governance is part of our philosophy and a critical component of our environmental, social and governance (ESG) approach.

Since we are an investment management firm and a publicly traded company, the Board considers ESG-related matters, including sustainability, through the lens of both the corporate entity and its investing practices. These are a critical component of the firm's overall long-term business strategy and amongst the senior management responsibilities over which the Board has oversight. The Board engages with management to understand the proposed action plan relating to ESG and sustainability practices, sets corporate ESG and sustainability goals and reviews management's performance in meeting those goals. Our approach is underpinned by the following principles:

T. Rowe Price Group, Inc., Board of Directors

Group photo as of fourth quarter 2024.
For further details on our Board and committees, visit our corporate website **here**.

- A skilled Board ensures strong governance.
- Our Board governance encompasses the responsible and proactive management of environmental and social issues.
- Our Board and its oversight of sustainability issues impact the creation of long-term value for our clients and stakeholders.
- The Nominating and Corporate Governance Committee (NCGC) of the Board monitors performance objectives and progress against our climate-related targets. Only independent outside (non-employee) directors serve on the NCGC.
- The NCGC receives regular updates on our sustainability strategy and activities.

Accountability for ESG starts at the top

The industry leaders that compose our Board bring a diverse range of skills, expertise and experience to ensure strong governance of the Group and its subsidiaries.

To ensure we appropriately identify and manage potential ESG-related risks and opportunities, such as climate risk, we incorporate ESG considerations into our core business functions, including those of our Board.

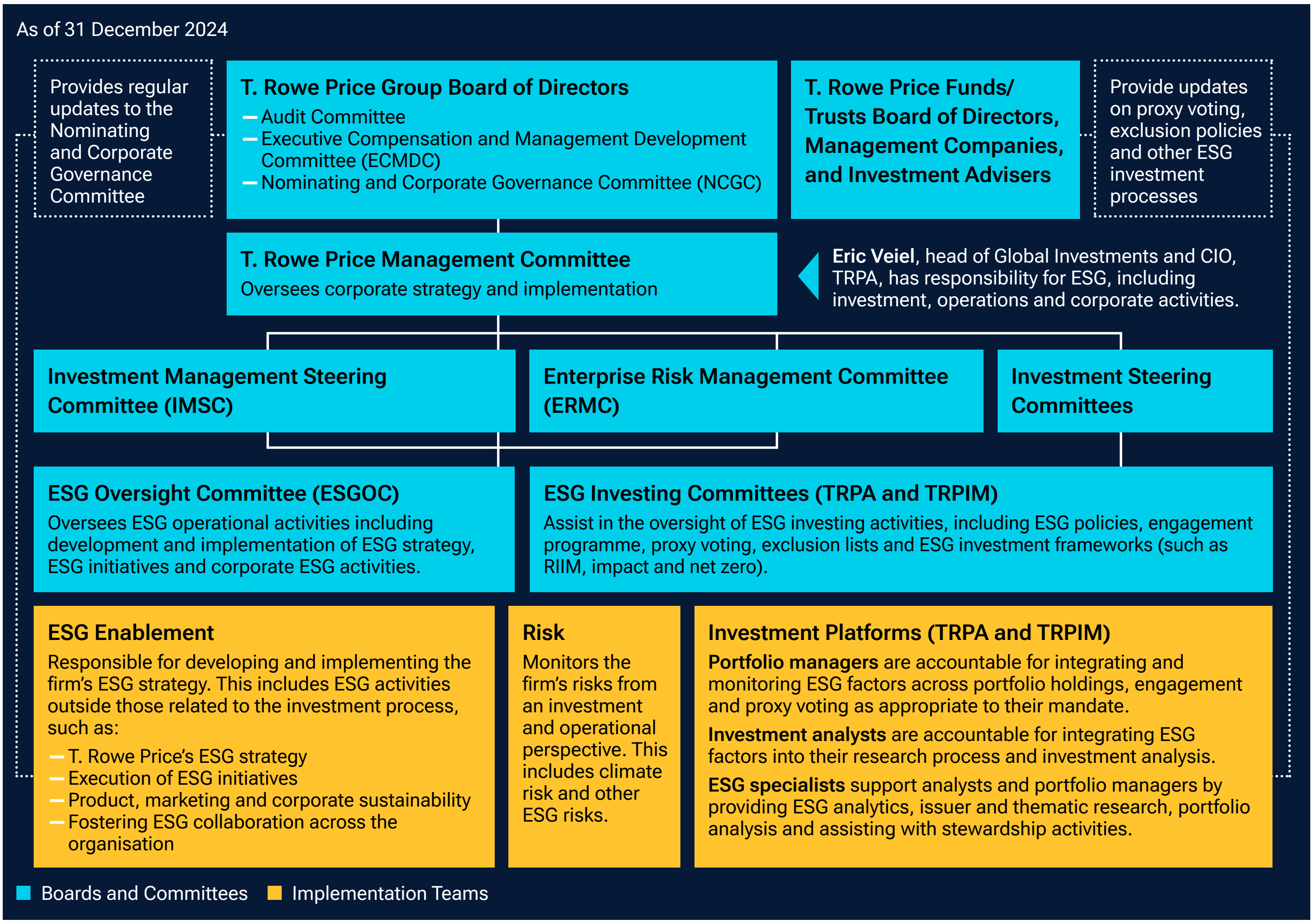
T. Rowe Price Group, Inc., is a holding company incorporated in Maryland in the US and owns 100% of the stock of T. Rowe Price Associates, Inc. (TRPA), and is the direct or indirect owner of multiple subsidiaries, including T. Rowe Price Investment Management, Inc. (TRPIM), and Oak Hill Advisors, L.P. (OHA). The senior management of each of these subsidiaries sits on the Management Committee of T. Rowe Price Group, Inc., and reports on the operations of each entity to the Management Committee and to the Board of T. Rowe Price Group, Inc. In addition, TRPA, TRPIM and OHA each operate independently with their own investment platforms and have senior management representatives on their respective investment management steering committees and ESG Investing Committees (known as the ESG Committee at OHA).

Nominating and Corporate Governance Committee
The NCGC oversees ESG activities across the firm. This includes ESG factors related to the firm's operations and investment activities. Further details can be found in Principle 5.

Audit Committee
The Audit Committee of the Board considers ESG matters as they may impact disclosures in our financial statements, including environmental, social and governance risks. In addition, the Audit Committee receives updates on these topics and periodically discusses ESG legal and regulatory developments with our general counsel and chief compliance officer.

Executive Compensation and Management Development Committee (ECMDC)
The ECMDC of the Board is responsible for considering how ESG matters may impact the compensation of management. The ECMDC considers the firm's ESG efforts when reviewing and approving general salary and compensation policies for management.

T. Rowe Price boards and committees



[1] Excludes OHA.

Strengthening ESG governance and oversight

Responsibility for ESG investing and corporate sustainability is consolidated under Todd Henry, head of Investment Strategy Partners at T. Rowe Price, and is ultimately overseen by Eric Veiel, head of Global Investments and a member of the Management Committee. This strengthens our governance of ESG risks and opportunities and increases accountability for them. We established the ESG Enablement team to ensure a consistent vision and global strategy for ESG, with better coordination across functions[2].

The T. Rowe Price ESG Oversight Committee (ESGOC) was established to oversee ESG operational activities at the firm. The primary purpose of the ESGOC is to assist the Investment Management Steering Committee (IMSC) of Group in the oversight of execution of the firm's ESG strategy[2]. The ESGOC's duties include:

- Establishing coordinated ESG strategy across different divisions of the firm
- Prioritising ESG projects throughout the firm
- Being an escalation body for ESG issues where needed
- Reviewing product development road map and product recommendations for marketability
- Overseeing controls and risk mitigations for key regulatory, investment and client processes; escalate to the Enterprise Risk Management Committee, as appropriate
- Overseeing ESG resources and budget needs across the firm
- Overseeing production of the firm's flagship ESG reports

The ESGOC's membership includes senior leaders in Investments, Distribution and other critical functions, with all regions and advisory entities represented. Chaired by the firm's co-heads of ESG Enablement, the ESGOC helps support governance around our ESG activities and reports into the IMSC, with regular updates to the Enterprise Risk Management Committee (ERMC). The firm's chief investment officer and chief risk officer serve on the ESGOC. Further details of the ESGOC's responsibilities can be found in Principle 5.

We have dedicated ESG resources across the firm

As of 31 December 2024

90 Total firmwide ESG full-time employees **42** Investment functions **+** **48** Non-investment functions

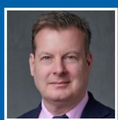
ESG leadership team

TRPA

Donna Anderson
Head of Governance (TRPA)
Baltimore Associate

Maria Elena Drew, Chair
Director of Research, Responsible Investing (TRPA)
London Associate

TRPIM

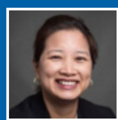


Chris Whitehouse
Head of ESG (TRPIM)[3]
Washington Associate

OHA

Jeff Cohen
Managing Director, Head of ESG & Sustainability (OHA)[4]
New York Associate

Enablement



LQ Huang
Co-head of ESG Enablement
Baltimore Associate

Ulla Pitha
Co-head of ESG Enablement
Baltimore Associate

32 ESG investment team (TRPA)
The TRPA ESG investment team supports portfolio managers and analysts across global equity, fixed income and multi-asset strategies. It includes 16 Responsible Investing analysts, 4 Governance associates, 8 Impact investors, and 4 ESG investment specialists.

7 ESG investment team (TRPIM)
The TRPIM ESG investment team supports portfolio managers and analysts across US equity and US high yield strategies.

3 ESG and sustainability team (OHA)
The OHA ESG and sustainability team supports portfolio managers and analysts across alternative credit strategies.

10 ESG enablement team
The ESG enablement team develops and drives our ESG strategy globally.

18 ESG technology team
The ESG technology team supports the integration of environmental, social and governance data throughout the data systems of T. Rowe Price. This also includes technology support for DARWIN, a proprietary technology platform that manages ESG data and various proprietary models built by TRPA and TRPIM (such as RIIM, Impact template etc.).

20 ESG full-time employees in other operations
This includes full-time ESG dedicated staff in global investment operations, legal, compliance and audit, transformation office, global marketing, global client account services, corporate real estate and workplace services and the chief financial officer group.

[2] Excludes OHA.

[3] T. Rowe Price Investment Management, Inc. (TRPIM). TRPIM was established as a separately registered US 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.

[4] OHA—Oak Hill Advisors, a T. Rowe Price company since 31 December 2021. The OHA ESG and sustainability team is separate from TRPA and TRPIM, and decisions for the OHA ESG and sustainability team are made independently.

Overview of ESG investment management responsibilities

ESG investment leadership team

Our ESG leadership team brings together specialists from across our investment platforms—TRPA, TRPIM and OHA[5]—and our co-heads of ESG Enablement. Our co-heads of ESG Enablement are responsible for developing and executing our firmwide ESG strategy[6], allowing for a consistent vision and global strategy, whilst bringing greater resources and accountability to our approach across both Corporate Sustainability and Investments.

ESG committees

Each investment platform has its own independent ESG Investing Committee, or ESG Committee, as applicable. These are made up primarily of senior investment leaders from TRPA, TRPIM or OHA, respectively, with additional representatives from other parts of the business, including legal and operations. The TRPA and TRPIM ESG Investing Committees (collectively, the ESG Investing Committees) are chaired by members of our ESG leadership team. At TRPA, the cochairs are our head of Corporate Governance and the director of research, Responsible Investing. At TRPIM, our chair is TRPIM's head of ESG Investing.

Each ESG Investing Committee's primary purpose is to assist the Investment Management Steering Committees (see earlier section, Accountability for ESG starts at the top). They typically meet twice per year but also can meet on an ad hoc basis if necessary. The role of each ESG Investing Committee includes oversight of:

- ESG policies (including the proxy voting guidelines and exclusion lists)
- Implementation of ESG in the investment process
- Implementation of the proxy voting policy
- Implementation of exclusion lists
- Impact investment framework

Each ESG Investing Committee:

- Submits an annual report to the applicable T. Rowe Price Funds' Board of Directors summarising voting results, policies, procedures and other noteworthy items.
- Oversees the process for exclusion lists. This includes our firmwide human rights violators policy and controversial weapons, which are applied to our UK open-ended investment companies, European and international SICAVs and Canadian pooled funds.
- Oversees other exclusion lists such as those applied to our socially responsible and impact product offerings. A subcommittee, the Exclusion List Advisory Group, consisting of investment professionals and legal counsel, assists ESG specialist teams with the assessment of ambiguous situations regarding exclusions. For socially responsible and impact strategies, more than one list of excluded companies may be created and maintained by the investment manager and sub-investment manager specialists in ESG at TRPA and TRPIM, as appropriate.

The purpose of the OHA ESG Committee is to provide strategic oversight of the incorporation and monitoring of ESG factors into OHA's investment process.

[5] OHA is represented within the companywide ESG leadership team and operates as a stand-alone business within T. Rowe Price, with autonomy over its investment process. OHA maintains its own culture, associates and teams, including its own specialist ESG investment team and committee. Decisions of the OHA ESG and sustainability team and OHA ESG Committee are made independently of those of TRPA and TRPIM. More information regarding the composition of the ESG Committee can be found in Principle 2.

[6] Excludes OHA.

Investment leaders are members of our ESG Investing Committees

Information barriers are in place across all our investment platforms to prevent the inadvertent flow of confidential investment and research information between the advisers across TRPA, TRPIM and OHA. See Principle 5 for details regarding the information barriers in place at T. Rowe Price.

TRPA ESG Investing Committee: Coverage breadth of global and regional asset classes

Donna F. Anderson, Cochair BWI Head of Corporate Governance	**Maria Elena Drew, Cochair** LDN Director of Research, Responsible Investing
Kamran Baig LDN Director of Equity Research, EMEA and Latin America	**Tongai Kunorubwe** LDN Head of ESG, Fixed Income
Hari Balkrishna LDN Portfolio Manager, Global Impact Equity	**Michael Lambe** LDN Director of Research, Credit Research
Oliver Bell LDN Co-head, Global Equity Portfolio Management	**Matt Lawton** BWI Portfolio Manager, Global Impact Credit and Global Impact Short Duration
R. Scott Berg BWI Portfolio Manager, Global Growth Equity	**Yoram Lustig**[7] LDN Head of Multi-Asset Solutions, EMEA
Jocelyn Brown LDN Head of Governance, EMEA and APAC	**Ryan Nolan**[7] BWI Managing Legal Counsel
Archibald Ciganer TYO Equity Investment Analyst	**Ken Orchard** LDN Head of International Fixed Income
Davis Collins BWI Credit Analyst, Municipals	**Thomas Poullaouec**[7] SIN Head of Multi-Asset Solutions, APAC
Vincent DeAugustino BWI Portfolio Manager, US Structured Research Equity	**Preeta Ragavan** BWI Equity Investment Analyst
Anna Driggs[7] LDN Managing Legal Counsel	**David Rowlett** BWI Portfolio Manager, US Impact Equity
Amanda Falasco[7] BWI Supervisor, Global Proxy Operations	**Justin Thomson** LDN Head of Investment Institute and CIO[8]
Ryan Hedrick BWI Portfolio Manager, US Value Equity	**Willem Visser** LDN Portfolio Manager, Impact and Emerging Markets
Arif Husain LDN Head of Global Fixed Income and CIO	**Ernest Yeung** HKG Portfolio Manager, Emerging Markets Discovery Equity

TRPIM ESG Investing Committee: Coverage of US corporates

Chris Whitehouse, Chair DCA Head of ESG, TRPIM
Paul Cho BWI Research Analyst
David Giroux BWI Portfolio Manager, CIO and Head of Investment Strategy, TRPIM
Stephon Jackson, CFA BWI Head of TRPIM
Steven Krichbaum, CFA BWI Director of Research
Sara Pak[7] BWI Managing Legal Counsel
Farris Shuggi BWI Quantitative Team Leader, TRPIM
David Wagner BWI Lead Portfolio Manager
Thomas Watson, CFA BWI Director of Research
Ashley Woodruff NYC Co-portfolio Manager
Doug Zinser PHL Research Analyst
Amanda Falasco (Observer)[7] BWI Supervisor, Global Proxy Operations

Location Key:

Tokyo: TYO London: LDN Baltimore: BWI Washington: DCA Singapore: SIN Hong Kong: HKG New York: NYC Philadelphia: PHL

[7] Not part of TRPA or TRPIM, these individuals are attending in an advisory capacity and, although not classified as restricted investment personnel, must adhere to the strict information barrier policy and guidelines.
[8] Effective 1 January 2025.

OHA ESG Committee[9]: Alternative credit investment specialists			
Bill Bohnsack President and Senior Partner	**Adam Kertzner** Portfolio Manager and Senior Partner	**Nathaniel Furman** Partner	**Natalie Harvard** Head of Investor Relations and Partner
Lucy Panter Portfolio Manager and Partner	**Colin Blackmore** Managing Director, European General Counsel and CCO	**Fritz Thomas** Head of Client Coverage and Partner	**Declan Tiernan** Co-head of Europe and Partner
Thomas Wong Portfolio Manager and Partner	**Sonja Renander** Managing Director	**Jeff Cohen** Managing Director, Head of ESG and Sustainability	**Alex Field** Managing Director
Joseph Goldschmid Managing Director	**Amberly Treibert** Managing Director, Deputy Chief Compliance Officer	**Erin Hartney** Principal, ESG and Sustainability	

Global ESG investment research teams

As of 31 December 2024, our dedicated full-time ESG investment resources totaled 42 individuals (32 at TRPA, including eight dedicated impact investment professionals; seven at TRPIM; and three at OHA). Our ESG specialists help our analysts and portfolio managers identify, analyse and integrate the ESG factors most likely to have a material impact on an investment's performance. Furthermore, their research supports the implementation of values-based or sustainable objectives on select investment products that carry dual mandates. TRPA and its investment advisory affiliates, TRPIM and OHA, are each separate US-registered investment advisers with separate ESG specialist teams. Decisions across the investment advisers are made completely independently.

TRPA and TRPIM, although operating separately, do use a similar approach, framework and philosophy. Both of these ESG specialist teams are supported by an operations team focused on proxy voting execution and a technology team focused on ESG data integration.

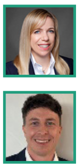
See Principle 7 for details of our approach to ESG investing. For details about OHA, visit oakhilladvisors.com.

[9] All members of the OHA ESG Committee are located in the US except Declan Tiernan, Colin Blackmore, Lucy Panter and Alex Field, who are based in the UK. As of 31 December 2024.

T. Rowe Price Associates (TRPA)

Responsible Investing

RI Macro



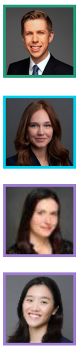
Maria Elena Drew
Director of Research, Responsible Investing

Arthur Tyther
Associate Analyst, Generalist

Fixed Income ESG

Tongai Kunorubwe
Head of ESG, Fixed Income

Consumer, Health Care and Technology, Media, Telecom (TMT)



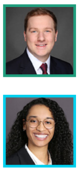
Daniel Ryan
Investment Analyst

Ashley Hogan
Associate Analyst

Iona Walker
Investment Analyst

Clarice Hung
Associate Analyst, Generalist

Sovereigns, Sub-sovereigns, Financials and Real Estate



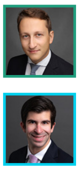
Joseph Baldwin
Investment Analyst

Natalie McGowen
Associate Analyst

Industrials & Natural Resources

Duncan Scott
Investment Analyst

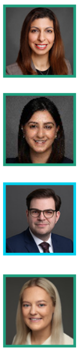
Duncan will be relocating from London to Sydney in March 2025.



Francesco Buonocore
Investment Analyst

Matthew Kleiser
Associate Analyst

ESG Data and Business Management



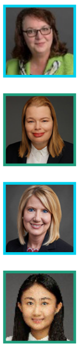
Suha Read
General Manager

Erim Khan
Senior Analyst, Data Analytics

Michael Ray
Business Manager[10]

Amelia Bowers
Business Analyst

Governance



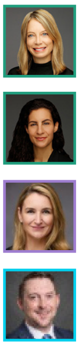
Donna Anderson
Head of Corporate Governance

Jocelyn Brown
Head of Governance, EMEA and APAC

Kara McCoy
Governance Analyst

Yijiang Wang
Governance Analyst

Specialist Support



Véronique Chapplow
ESG Investment Specialist

Penny Avraam
Lead Portfolio Analyst

Caroline Ramscar
ESG Investment Specialist

Brian Horr
Lead Portfolio Analyst

- Baltimore Associate
- London Associate
- APAC Associate
- Washington Associate
- New York Associate

Impact Investing, Fixed Income

Matt Lawton
Portfolio Manager, Credit and Short Duration

Willem Visser
Sector Portfolio Manager, Credit

Ellen O'Doherty
Investment Analyst, Fixed Income

Impact Investing, Equity

Hari Balkrishna
Portfolio Manager, Equity

Fatna Chelihi
Lead Portfolio Analyst, Equity

Chris Vost[11]
Analyst, Equity

David Rowlett
Portfolio Manager, Equity

Kaoutar Yaiche
Investment Analyst, Equity

T. Rowe Price Investment Management (TRPIM)

ESG Investing

Chris Whitehouse
Head of ESG

Molly Shutt
Investment Analyst, Energy, Industrials, Materials

Allie Hidalgo
Associate Analyst, Financials, Technology

Thearra Su
Associate Analyst, Consumer, Quant

Brandon Lee
Associate Analyst, Consumer, Health Care, Utilities

Jack Williams
Lead Business Manager, Business Support

Regulatory Research

Gil Fortgang
Associate Analyst, Regulatory Research

Oak Hill Advisors (OHA)[12]

ESG and Sustainability

Jeff Cohen
Managing Director, Head of ESG and Sustainability

Erin Hartney
Principal, ESG and Sustainability

Aliza Mehlman
Senior Analyst, ESG and Sustainability

[10] Effective 1 January 2025, Chris Vost transitioned to portfolio manager of the International Select Strategy. He is expected to transition off of the impact strategies in April 2025. We are actively recruiting for a replacement.

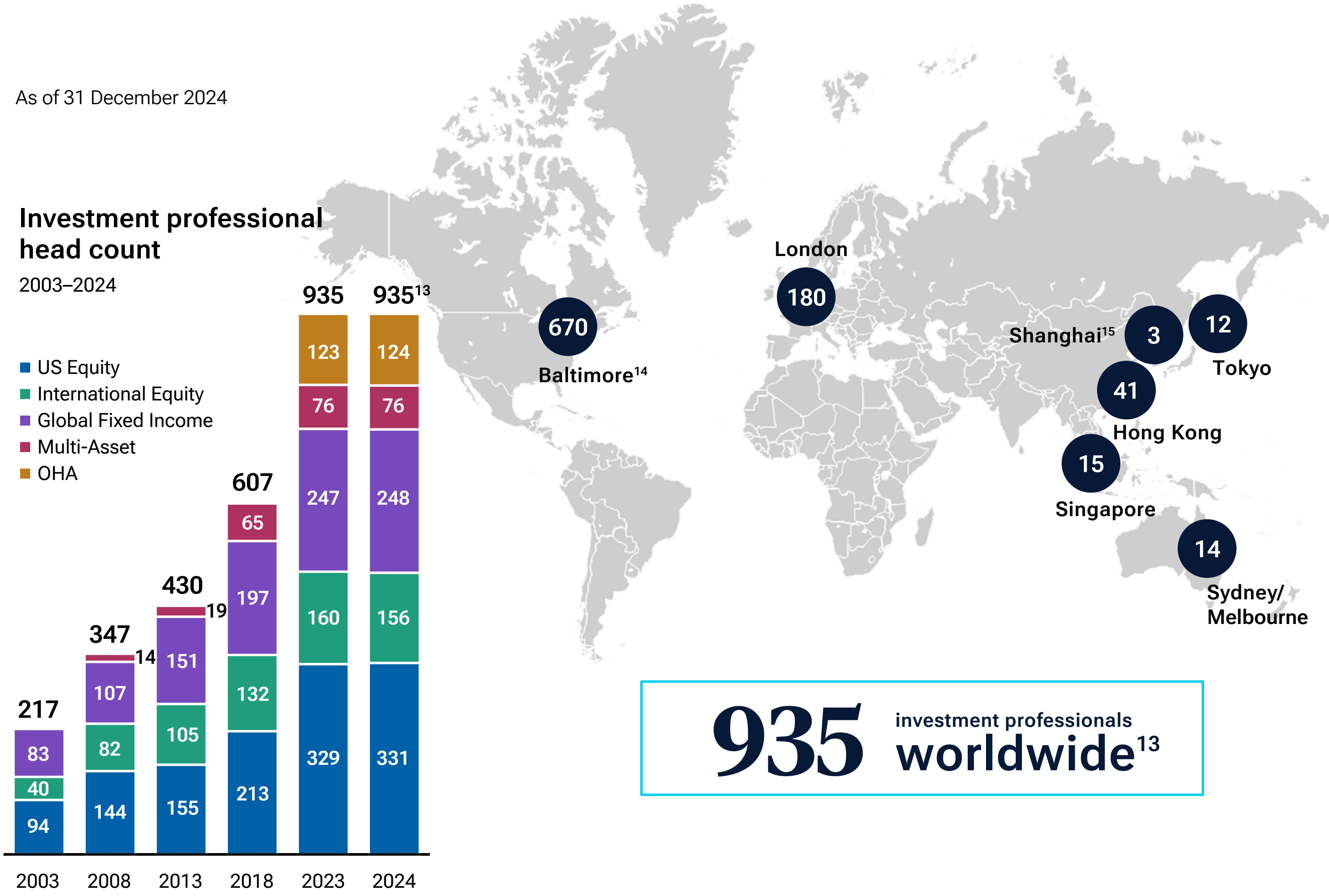
[11] Effective 1 January 2025.

[12] OHA—Oak Hill Advisors, a T. Rowe Price company since 31 December 2021. The OHA ESG and sustainability team is separate from TRPA and TRPIM, and decisions for the OHA ESG and sustainability team are made independently.

Investment in our global investment capabilities

We have built out our investment teams in locations that support the continued diversification of our product offerings and ensure that they have the resources they need to be successful.

As of 31 December 2024



935 investment professionals **worldwide**[13]

[13] Count includes 489 Baltimore-based associates, 115 New York-based associates, 12 San Francisco-based associates, 40 Washington, D.C.-based associates, and 11 Philadelphia-based associates.

[14] 117 portfolio managers, 33 associate portfolio managers, 9 regional portfolio managers, 18 sector portfolio managers, 196 investment analysts/credit analysts, 50 quantitative analysts, 8 solutions associates, 60 associate analysts, 47 portfolio specialists/generalists, 42 specialty analysts, 82 traders, 13 trading analysts, 4 economists, 93 portfolio modeling associates, 39 management associates and 123 Oak Hill Advisors, which is a T. Rowe Price company.

[15] Research only.

Use of external service providers

We conduct our own deep fundamental research, using the processes outlined in Principle 7. Our proprietary ESG frameworks are populated by both quantitative ESG datasets as well as our own fundamental qualitative research.

We take a best-of-breed approach to working with third-party data. TRPA, TRPIM and OHA are all separate independent entities in this regard. Details of our vendor oversight, third-party monitoring and main uses of external data are provided in Principle 8. In addition to Sustainalytics for climate data at both TRPA and TRPIM, we also used climate scenario tools from MSCI ESG Research to inform our analysis presented in the T. Rowe Price International Ltd Task Force on Climate-Related Financial Disclosures report published in 2024.

These external and proprietary sources efficiently and consistently provide the data we need to build a preliminary ESG profile of a security and conduct our ESG screening and analysis, which are used in our analysts' detailed fundamental research.

Further details on our use of proxy research providers and how we oversee their operational performance can be found in Principle 8. A key focus in recent years has been developing our access to Asian corporate governance research and data to meet the evolving needs of our investors. In 2023, TRPA embedded proxy research from a Chinese domestic provider, ZD Proxy, into our voting workflow, building on the lessons learned from implementing Institutional Investor Advisory Services (IIAS) in our voting workflow for Indian companies.

Training and development

T. Rowe Price is committed to ensuring our associates remain skilled in relation to their roles. For example, our client-facing relationship teams undertake regular training as part of their continuing professional development to ensure they maintain the skills, knowledge and expertise needed to perform their roles effectively. This includes, where relevant and as required, training on regulatory, product and market developments.

Opportunities for growth and career advancement

At T. Rowe Price, our leadership philosophy is that all associates are leaders, who maximise potential, drive client value and activate our culture. We balance business credibility and leadership capability to deliver our strategy, live our values and generate superior results for our clients. We provide support through continuous training opportunities and a culture that encourages mentoring, collaboration and teamwork to help enable associates to advance to the best of their abilities. We offer associates resources to support them through every step of their career journey. Diversity, equity and inclusion are threaded throughout the associate life cycle of continuous learning.

Our ESG training and education programme was formalised in 2023, and in 2024 we continued to build our inventory of foundational education resources. Our ESG training and education programme offers a variety of training and education types to serve different associates, according to their job responsibilities and level of leadership. This includes building awareness and knowledge of ESG amongst our global associates, ensuring client-facing distribution teams have the requisite knowledge to support the changing needs of our clients and to strengthen their understanding of our evolving ESG capabilities.

2024 training overview with ESG education highlights

- **ESG global and regional training**—Our ESG investment specialists, product, legal and compliance teams continued to provide regular training and education spanning a number of topics, including regional regulation, ESG product initiatives, the TRPA Responsible Investing Indicator Model (RIIM) tool, impact investing and climate-related issues.
- **Educational video modules**—Building on our series of educational video modules on ESG integration reported in 2023, we launched four additional educational video series covering the ESG investment solutions we offer, ESG proprietary tools, our RIIM for corporates and impact investing at T. Rowe Price. These were released and promoted to targeted associate populations. We also began development of a new series that will focus on our net zero transition framework and further in-depth education on impact investing.
- **Global distribution client skills training**—We launched a comprehensive, global training plan on our net zero transition framework in 2024, aimed at increasing the knowledge base amongst our global relationship managers and client service associates.
- **ESG Presentation Circles**—In 2024, we developed a training programme for a select cohort of portfolio specialists, focused on ESG integration in client presentations. The objective was to enable participants to effectively communicate how their respective strategies consider financially material ESG risks and opportunities appropriate to their investment mandates.
- **Targeted distribution channel training**—In 2024, for the third consecutive year, all 1,300+ T. Rowe Price associates in the Individual Investors group in the Americas region completed a required online internal training course on ESG at T. Rowe Price. Its objective is to enable participants to continue to develop an understanding of ESG investing in order to better communicate with internal and external clients on the firm's ESG approach, resources and capabilities.
- **Fitch Learning**—As reported in 2023, we offered the Fitch ESG Advanced course for our distribution teams globally, in partnership with Fitch Learning. The course included four modules covering ESG Reporting Framework, Sustainable Finance, Impact Investing and Climate Fundamentals. Associates completed the Fitch ESG Advanced course by mid-2024.

- **Principles for Responsible Investment (PRI) Academy**—For the second consecutive year, we offered responsible investing training from PRI Academy, an external supplier, to certain global client-facing associates. PRI Academy offers various foundational and specialised courses with the aim of equipping industry professionals with a common language of ESG, based on the latest thinking in responsible investment.

- **ESG distribution forum**—We hold a meeting regularly for the purpose of identifying client insights globally to inform the development of our ESG capabilities and communication. ESG representatives from distribution teams reflect the views of our global client base and local markets. The participants in the forum share insights and best practice and bring together regional client perspectives on key initiatives.

- **Chartered Financial Analyst® (CFA®)**[16]—We support the development of our staff through relevant training and development opportunities, such as completion of the CFA® qualification and CFA Institute Certificate in ESG Investing.

- **OHA ESG training**—OHA's ESG and sustainability team conducts training throughout the year for the investment team as well as for client-facing associates. Training for the investment team primarily focuses on ESG integration within the investment process. The ESG team also provides regular firmwide updates and dedicated trainings on various subjects related to sustainability.

Performance management and incentivisation

We use performance management and reward programmes to incentivise our associates. A solid balance sheet, even in these challenging times, helps us to maintain a long-term view and continually invest in our business to best serve our clients.

For example, staff bonuses for T. Rowe Price International Ltd (TRPIL) associates are discretionary. An individual's performance assessment includes a range of factors, including conduct; collaboration; our values of putting clients first, acting with integrity and accountability, cultivating intellectual curiosity and innovation, embracing inclusion, being disciplined and risk aware and pursuing excellence with passion and humility; compliance with internal policies and procedures (including the Code of Ethics and Conduct) and anti-bribery policies and procedures; and completion of role-related compliance training courses on an annual basis.

The integration of stewardship procedures and ESG factors in investment decision-making are considered as part of our performance management and reward programmes.

ESG specialist teams: Our teams have clear objectives and are compensated with variable pay related to achieving these objectives. Variable pay includes bonuses based on company and individual performance and long-term incentive awards.

Investment professionals: To ensure alignment across different teams and different perspectives, we appraise our research analysts on the extent to which they test their ideas with other teams and their contribution to wider idea generation and validation.

- Portfolio manager compensation is viewed with a long-term time horizon and measured over 1-, 3-, 5- and 10-year periods.

- The more consistent a manager's performance over time, the higher the compensation opportunity. Portfolio manager compensation is not solely formulaic, and short-term fluctuations in assets under management is not considered a material factor.

- T. Rowe Price Group evaluates performance in absolute, relative and risk-adjusted terms. Relative performance and risk-adjusted performance are determined with reference to the appropriate benchmark(s) for the investment product, as well as comparably managed investment strategies of competitor investment management firms.

- Also included is the integration of ESG factors into the investment process.

- Our investment professionals are responsible for incorporating sustainability and other ESG factors into their investment recommendations and investment decisions, as appropriate to the relevant mandate. TRPIL, for example, holds its portfolio managers and analysts accountable for doing so by incorporating the extent of the integration of ESG analysis into their individual investment processes as part of the qualitative aspect of performance assessments that determine each individual's compensation.

Client-facing distribution teams: Our client-facing distribution teams increasingly embed ESG knowledge and insights across our distribution channels to better support client needs. Distribution representatives have ESG objectives built into their appraisal process.

We also strive to ensure that associates are compensated fairly and equitably throughout their careers at the firm. To validate this, we engage third-party consultants to conduct robust annual pay equity audits and commit to addressing any anomalies identified.

Each associate must complete a DEI performance objective, which emphasises expectations and accountability for achieving our shared DEI goals. For more details of DEI goals and achievements, see our Corporate Sustainability Report.

[16] CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

Closing reflection

Our governance arrangements are largely as detailed in the prior Stewardship Report, although one change in 2024 was that Todd Henry, head of Investment Strategy Partners, took over responsibility for oversight of the ESG Enablement, Responsible Investing and Governance teams.

PRINCIPLE 3

Signatories manage conflicts of interest to put the best interests of clients and associates first.

Conflict of Interest Policy

T. Rowe Price's approach to dealing with potential conflicts is set out in two policies. The company's [Global Code of Conduct] sets the tone for how associates should think about conflicts, recognising the firm's fiduciary duty to its clients. The Code of Ethics and Personal Transactions Policy (together with the Global Code of Conduct, 'Codes') sets out our Conflicts of Interest Policy. It can be found [here] on our public website. All associates are expected to identify and report conflicts of interest in accordance with T. Rowe Price policies. The firm's Ethics Committee has the overall responsibility for developing, maintaining and administering the Codes.

Business units aim to identify and address conflicts of interest that arise in the normal course of business. These include conflicts between: (a) the firm, including its managers, employees or any person directly or indirectly linked to the firm and a client, fund or the investors in such fund and (b) a client, fund or the investors in such fund and another client, fund or the fund's investors.

T. Rowe Price seeks to organise its business activities in a manner which avoids such a conflict occurring. The remedies for avoidance are fact specific but may include:

- Prohibiting certain employee activities
- Segregation of duties
- Implementing information barriers
- Declining to provide a particular product or service

The avoidance of all conflicts is not feasible in a commercial environment. Where conflicts cannot be avoided, we seek to mitigate their impacts through organisational and administrative controls, as well as relevant disclosures.

The firm has developed a centralised register of activities, products and services that present, or may be perceived to present, conflicts of interest. The register and associated policies and procedures undergo periodic reviews, with involvement from relevant business units. The register informs compliance assessments, internal testing plans and disclosure reviews.

Our conflicts policy and how this has been applied to stewardship

Our overarching approach to dealing with potential conflicts of interest is to resolve them by taking the path which best serves our clients' interests. Potential conflicts and how they may be addressed are discussed below.

Managing potential conflicts with respect to individuals
T. Rowe Price has been in the investment management business since 1937 and has operated as a publicly traded corporation since 1986. The size of our assets under management, combined with our strong financial position, helps support our clients' needs. Our strong balance sheet and considerable financial resources are conservatively managed, allowing associates to focus on serving the investment management needs of our clients.

The Code of Ethics and Personal Transactions Policy restricts associates' ability to engage in certain outside business activities. Programmes are in place to monitor personal trading, gifts and entertainment, outside business activities and political contributions, amongst other potential conflict of interest areas. In addition, portfolio managers or ESG Investing Committee members with a personal conflict of interest regarding a particular proxy vote must recuse themselves and not participate in the voting decisions with respect to that proxy.

Potential conflicts between multiple advisers in T. Rowe Price Group
We discuss the information barriers between OHA, TRPA and TRPIM under Principle 5. Given the nature of OHA's investments, the focus of our mitigation is where TRPA and TRPIM have holdings in the same issuer. The issuer will hold separate meetings with the relevant investors in TRPA and TRPIM, and there is no coordination between the investment and stewardship teams across the advisers on company-specific issues.

Potential conflicts with respect to stewardship activities
With regard to stewardship activities, potential conflicts between the interests of our firm and our clients could occur in the context of proxy voting or escalated forms of engagement, such as formal, written correspondence with a portfolio company. Risks are managed and monitored by using our proxy voting oversight and procedures, which are described below.

Proxy voting oversight

The T. Rowe Price Associates, Inc. (TRPA), and T. Rowe Price Investment Management, Inc. (TRPIM), ESG Investing Committees are responsible for monitoring and resolving potential conflicts between the interests of T. Rowe Price and those of its clients with respect to proxy voting. The Oak Hill Advisors (OHA) ESG Committee does not have a similar responsibility. OHA does not typically undertake proxy voting due to its investment activities being predominantly focused on credit. The same controls framework is in place in both TRPA and TRPIM. We prevent internal conflicts of interest by excluding client relationship management, marketing or sales representatives from the ESG Investing Committees.

Our predetermined, standard proxy voting guidelines are designed to avoid potential conflicts of interest in our voting decisions. Proxy votes that are cast contrary to the guidelines could result in a potential conflict of interest if the investee company is also a significant business partner, trading counterparty, supplier or client of our firm. Therefore, we require that portfolio managers document their reasoning for any votes contrary to our voting policies which are in favour of management. We subject these votes to an extra level of scrutiny by ESG Investing Committee members before the vote is cast.

When conducting our stewardship activities, if a conflict were to arise that could not be addressed by the existing protocols described in this Principle 3, we would escalate it to the firm's Ethics Committee. Such circumstances have not arisen in the past.

T. Rowe Price's Compliance division maintains a register of our global corporate relationships that could trigger material conflicts of interest. The register comprises corporations that provide a material level of products or services to T. Rowe Price, our significant trading counterparties, our significant investment advisory clients, our significant recordkeeping clients and corporations where there is a Board member who also serves as a director for a T. Rowe Price entity. The register is updated annually.

Potential conflicts with respect to share classes or asset classes within an adviser

An area where our clients may encounter potential conflicts of interest with each other is when they own different securities of the same issuer. For instance, a strategy may purchase preferred stock whilst other clients hold common stock, or we may invest in both debt and equity instruments of a particular issuer. There are instances when the interests of the respective owners of these securities could conflict with each other. Our mechanisms for managing these potential conflicts include involvement of the senior management of our firm and full internal transparency amongst the interested parties.

An example of a potential conflict would include when a portfolio manager wishes to write a letter to the Board of Directors of a portfolio company advocating for a particular change in strategic direction of the company or an improvement in its corporate governance practices. Here, our Compliance division checks if our clients also own any debt instruments of the company. If they do, the relevant fixed income portfolio manager is given an opportunity to review the letter and provide comments[1].

Internal transparency helps to mitigate potential conflicts. All TRPA and TRPIM meetings are open and fully visible on a calendar shared across our equity, fixed income, multi-asset and ESG teams.

Potential conflicts between holdings in a target and acquirer in merger and acquisition scenarios

In a scenario where our clients own both the target of an acquisition and its acquirer in the same strategy, we vote the shares of the acquirer and the target solely in the interest of the shareholders of each entity. For example, assume Company A is acquiring Company B at a price that includes a premium we consider excessive. To exercise our fiduciary duty to the shareholders in each company, we would vote for the transaction at Company B but against it at Company A, assuming that shareholders of both entities are afforded a vote on the transaction.

Potential conflicts where client assets are invested in existing clients of the firm

From time to time, client assets may be invested in the securities of companies that have appointed T. Rowe Price or an affiliated entity as an investment adviser or recordkeeper or other relationship. Investments for our clients' accounts are made in accordance with our fiduciary obligation without regard to other relationships.

Potential conflicts where clients are proponents of shareholder resolutions at companies in which we invest

From time to time, clients may file shareholder resolutions at companies in which we hold equity investments. These are typically on governance or sustainability-related topics. Our process for analysing these resolutions follows the standard approach set out under Principle 12. If we have a material holding and we think it will help us make the voting decision, we may meet with the proponent, in the same way we would meet with the company.

[1] Excludes OHA.

Proxy voting: Steps to monitor and resolve potential conflicts of interest

1 Analysis of Business Relationships

On a periodic basis, our Compliance division conducts analysis of business relationships that may cause a potential conflict of interest (including the investment advisory clients for each of our distribution channels, our recordkeeping clients, our trading counterparties and our vendors).

2 Schedule of Business Relationships for Publicly Listed Equities

For each category, our Compliance division updates a list of our significant business relationships for each, then reduces the list to entities with publicly listed equity securities.

3 Schedule of Shared Directorships

We add to the list any public companies where a T. Rowe Price Group director or a member of the T. Rowe Price Mutual Funds' Board of Directors also serves as a director. Typically, the final list comprises about 100 issuers globally and is uploaded into our proxy voting platform annually.

4 Voting Guidelines

Our voting guidelines are predetermined by the ESG Investing Committee and disclosed publicly. Application of any standard T. Rowe Price guideline to vote as clients' proxies should generally avert any potential conflicts of interest.

5 Flagging Non-standard

For proxy votes inconsistent with T. Rowe Price guidelines, where one or more portfolio manager overrides our guidelines to vote in favour of management, our proxy voting platform performs several automated actions to identify such instances.

6 Scanning for Conflicts of Interest

As soon as a vote inconsistent with a standard guideline is entered, the system scans the list of companies representing potential conflicts of interest.

This information is not visible to portfolio managers at any time.

7 Rationale for Override

If the system finds a match, details of the vote and the rationale for the override are sent to a subset of senior members of the ESG Investing Committee for review prior to votes being cast.

8 Process of Approval

This group determines whether the portfolio manager's voting rationale appears reasonable and well supported.

Approval from at least two members of the group must be received.

Proxy voting in 2024

We believe neither our regular research activities nor our stewardship activities routinely give rise to conflicts of interest. However, as every public issuer has a shareholder meeting every year—and some of these are significant business partners of our firm—potential conflicts within proxy voting occasionally arise. As an additional safeguard, we have developed extra scrutiny for voting these, requiring multiple sign-offs pre-vote and additional post-vote review by committee. An example of a potential conflict of interest in the 2024 reporting period in TRPIM is discussed in the case study below, along with our mitigation measures.

Voting at a company where we had a material business relationship (TRPIM)

Morgan Stanley

Country	US
Issue	Vendor relationship
Potential Conflict	During the reporting period, we voted on compensation issues at the annual general meeting (AGM) of a company where we had a material business relationship with a vendor of T. Rowe Price.
Approach	Our voting guidelines indicated to vote against the Say on Pay. We subsequently engaged with the company. As part of the chief executive officer (CEO) transition, the Board decided to award one-time grants with performance conditioning to the candidates for the role who missed out on the top job in order to provide retention to these key executives. The one-time payment was equivalent in value to (and in addition to) around one year of their normal long-term equity incentive award. Further, CEO pay itself on our model showed no concern and in the context of the retention of key executives, we also considered that the Board made these payments in good faith and for good reason. As such, we supported all these decisions and voted FOR the remuneration package.
Outcome	Approval of the exception; we voted with management.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Disclosure of conflicts of interest
We ensure that material conflicts of interest are disclosed to clients on the US Securities and Exchange Commission Forms ADV Part 2A. Please see links to TRPA Form ADV Part 2A and TRPIM Form ADV Part 2A. We ensure that material conflicts of interest are disclosed to clients.

Closing reflection

Our process regarding conflict management is largely in line with what was discussed in prior reports. However, this year we identified one new conflict generated by clients who are proponents of shareholder resolutions at companies in which we invest. This is not a new practice, but the topic has received greater focus in 2024 as a potential conflict.

PRINCIPLE 4

Signatories identify and respond to marketwide and systemic risks to promote a well-functioning financial system.

How we identify marketwide and systemic risks

T. Rowe Price's has a comprehensive risk management programme to support adequate controls and objective risk oversight throughout the organisation. It includes the assessment of industry, market, political and other events to identify emerging issues or trends that may warrant a response. The T. Rowe Price Group Board of Directors is ultimately accountable for risk and oversight of the risk management process.

As shown in the chart in Principle 2, which describes the Group's ESG accountability framework, the Group Board's Management Committee assesses risks and opportunities via the Enterprise Risk Management Committee (ERMC), which is chaired by the firm's chief risk officer (CRO). The CRO reports to the firm's chief operating officer and regularly updates the Group's Board.

Risk management = three lines of defence

Our enterprise risk management programme is designed with three lines of defence to ensure effective identification, assessment and management of risk.

1. Business Unit Leaders
- Responsible for overseeing our operations and identifying and managing risks specific to their respective business areas.
- Best placed to understand the challenges of our business and make appropriate decisions regarding risk management.
- Various steering and governance committees provide oversight, policy and strategic direction for certain critical business activities.

2. Enterprise Risk and Group Strategic Compliance
- Provide management with advice and guidance, along with tools, frameworks and policies for managing risk.
- These groups also provide oversight of and objective challenge to business unit identification, assessment and response to risks.

3. Internal Audit
- Independent assurance that established internal controls are operating effectively and that our risks are adequately mitigated.

Overview of our approach to managing fiduciary risk

Fiduciary or investment risk refers to exposure resulting from investment positions in a portfolio through all traded instruments. Investment risk can be segregated into two distinct types:

1. Counterparty risk
Risk that a trading partner may default on contractual obligations to a T. Rowe Price fund or managed account. T. Rowe Price's Counterparty Risk Committee (CRC) is responsible for the administration and oversight of the firm's counterparty risk management programme, which is primarily implemented by the Counterparty Risk team within Investment Risk. The CRC is also responsible for monitoring and approving the creditworthiness of counterparties with which T. Rowe Price trades globally.

2. Portfolio risk
Market risk, including liquidity risk, of investment positions within a portfolio. To maintain and ensure the appropriate level of risk for a portfolio's objective, we monitor daily the exposure to equity, fixed income, foreign exchange or other instruments. The expected cash flow requirements for the portfolio influence how we manage the liquidity of the underlying investments. We use various measures of liquidity, including outright cash levels, percentage of daily average traded volume and vendor model-based liquidation schedules, to ensure all funds or accounts have the desired level of liquid assets to meet potential obligations or redemptions. Both Investment Compliance and Investment Risk monitor portfolio positions relative to prescribed portfolio risk profiles and frequently report significant exposures to portfolio managers, investment steering committees and oversight committees.

Assessing marketwide risk

In terms of assessing market risk, the foundation of the investment process at T. Rowe Price is proprietary, fundamental, bottom-up research on securities for our clients' portfolios. Assessing the potential for political risk is an important component of this process. We have invested in significant internal and external resources to understand political and regulatory risks at the industry level. The Washington and Regulatory Research (W&R) team works within the Investments Division at T. Rowe Price to provide guidance to portfolio managers and analysts as they incorporate political, regulatory, legal and legislative risks into their stock ratings and asset allocation decisions.

The W&R team undertakes a four-stage process in regulatory risk evaluation.

1 Identification of Potential Political Catalysts

This is based upon news flow and prospective events with critical market significance, or in reaction to events or potential risks for a sector or industry, as identified by a portfolio manager or analyst.

2 Fact-Finding

Once the catalyst is identified, the W&R team initiates a 'bottom up' research process mirroring the fundamental analysis T. Rowe Price analysts conduct each day. They interview subject matter experts, former government participants and influential political actors to understand the policy mechanics and political implications of the policy catalyst in question.

3 Thesis Testing

After developing an accurate and robust informational mosaic to frame the policy catalyst, the W&R team holds a series of internal meetings with investors and other information sources to discuss findings and initial conclusions, testing the team's thesis and assessing alternative perspectives.

4 Recommendation

The W&R team then publishes platformwide research featuring its conclusions and offering a clear and actionable recommendation for investors to respond to the potential catalyst.

In 2024, the W&R team focused on assessing the implications of the US presidential election.

Case study: Planning for policy developments following the 2024 US presidential election (TRPIM)

Catalyst Identification

Ahead of the 2024 US presidential election, our Washington and Regulatory Research (W&R) team identified several policy developments for investors to monitor after the election had been finalised and during the president's first year in office. These included the implications of two impending fiscal cliffs.

Fact-Finding

Two of the key developments identified by the W&R team were the fiscal cliffs that the next president would have to contend with in their first year of office. These were:

- The agreement to extend the limit on the US government's borrowing would expire 1 January 2025. Depending on the election outcome, this situation could lead to familiar brinkmanship around raising the debt ceiling.
- The 2024 year-end expiration of key provisions in the Tax Cuts and Jobs Act (TCJA) of 2017.

The team then analysed likely outcomes, based on candidates' comments from the campaign trail.

Thesis Testing

The debate over potential spending cuts and revenue increases over the course of 2025 could create policy risk for certain industries and sectors. The W&R team highlighted items that could be key parts of the discussion for the new president and which industries might be affected by different outcomes. The team then developed initial conclusions. It held multiple internal meetings with sector analysts and portfolio managers to discuss takeaways, assess the perceived impact for companies and identify ways in which the W&R team's thesis could prove inaccurate. The W&R team then worked to clarify and source its research fundings, enhancing the thesis with the feedback provided by the investment team.

Setting the TCJA negotiating table: Probable points of discussion

Provision	For Trump	For Harris	What could be affected?
Individual tax cuts	Would likely seek to extend the TCJA's tax cuts and could push for more breaks	Would likely seek to extend most of the TCJA's tax cuts whilst aiming to allow marginal tax rates for individuals earning >US$400k annually to revert to higher levels	Consumer spending
Corporate tax cut	Could seek to lower from current rate, which would require legislation	Could seek to increase from current rate, which would require legislation	All industries/ sectors
Inflation Reduction Act (IRA)	Could pursue changes to IRA tax credits for electric vehicles and renewables	Would be unlikely to pursue changes to Biden's signature legislation	Renewables energy, auto industry, utilities, industrials

Source: Based on candidates' comments from the campaign trail.

Recommendation

The W&R team wrote a comprehensive review of the key policy developments, working closely with portfolio managers and analysts to sort through the potential risks and opportunities that might emerge as the postelection uncertainties started to resolve themselves after 5 November 2024.

Asset class investment considerations

Impact investing in public markets offers investors an accessible, liquid way to pursue positive social and/or environmental impact at scale, alongside a financial return. Multi-asset impact investing comes with the additional benefits of a balanced, one-stop solution for impact investors, the breadth of a global investment universe spanning equity and fixed income markets and the advantages of multi-asset investing in generating a financial return and mitigating downside risks, such as cross-asset class diversification and tactical asset allocation (TAA).

Our Multi-Asset team uses analysis tailored to the client's unique objectives, risk/return profile, guidelines and underlying asset classes to design a portfolio's long-term asset allocation.

Our global tactical decision-making process then looks to overweight and underweight assets based on relative opportunities over a 6- to 18-month horizon. The relevant regional Investment Committee takes overweight and underweight positions in assets by considering the Asset Allocation Committee's global tactical views and complementing them with a regional perspective—for example, the UK Investment Committee considers the outlook for UK equities, gilts and UK corporate bonds in particular depth. The process uses the firm's deep knowledge of financial markets combined with our perspective on what drives returns and risks amongst assets. It is primarily based on fundamental analysis, including comparing our views on economic backdrop, valuations, sentiment, risks and other factors with broader market expectations.

Case study: Global impact multi-asset portfolio construction (TRPA)

Constructing global impact multi-asset (GIMA) portfolios uniquely integrates impact considerations with financial performance. Here are five key principles that guide the effective construction of GIMA portfolios:

Investing in underlying impact strategic components
The first principle emphasises that every investment within the portfolio should align with impact objectives. This means selecting securities that not only aim for financial returns, but also contribute positively to social or environmental issues. We achieve this principle by investing in global equity and fixed income impact securities that we select following our proprietary impact research process. It includes a quantitative as well as a qualitative assessment of the impact thesis of every investment, ensuring that all holdings are aligned with at least one T. Rowe Price impact pillar. T. Rowe Price's impact pillars aim to represent the most pressing challenges our planet and society face and are aligned to the UN Sustainable Development Goals.

Expanding the impact opportunity set
The second principle focuses on broadening the range of investment opportunities available within the impact space. A broad investment universe is one of the advantages of a GIMA strategy.

A typical strategic asset allocation (SAA) of a GIMA portfolio could be 50% global impact equity, 40% global impact corporate bonds and 10% environmental, social and governance (ESG)-labelled high-quality bonds. Our portfolio design is ever-evolving, remaining current with trends and developments in impact investing. If we identify secular rather than tactical opportunities, we will consider changing the SAA of the strategy and adding and removing underlying impact components.

Diversifying equity risk with high-quality ESG-labelled bonds
The third principle advocates for including high-quality, ESG-labelled bonds that meet our impact criteria in the portfolio to diversify equity risk.

The bedrock of traditional multi-asset portfolios is mixing stocks and high-quality government bonds. ESG-labelled bonds, such as green bonds and social bonds, are designed to finance projects that have positive environmental or social impacts. Typically issued by development banks, they fall under the definition of supranational bonds. They are highly correlated with standard government bonds historically and exhibit similar diversification benefits with equities.

Implementing an active allocation across the impact universe
The fourth principle involves using tactical asset allocation (TAA) within the impact investment universe and maintaining a dynamic process of asset allocation. This approach allows us to adjust the asset allocation based on market conditions, economic indicators and emerging trends within the impact universe. We also follow an ongoing risk management process to monitor the portfolio's structural profile, as well as tactical risk exposure when the market environment shifts.

Ongoing monitoring from both investment and impact perspectives
The final principle underscores the importance of continuous monitoring of both financial performance and impact outcomes.

We regularly assess how the portfolios are performing in terms of returns. The GIMA team holds regular strategy meetings. This forum reviews risk exposures, discusses TAA and dynamically manages overall portfolio risk.

For the impact side of the mandate, we regularly monitor our investments' progress towards clearly defined social or environmental outcomes through key performance indicators and industry-recognised frameworks. We publish our findings in terms of impact measurement in our impact strategies' annual impact reports. A white paper detailing our GIMA portfolio construction is available on our intermediary website, which is accessible to investment professionals only.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

How we manage climate risk

Identifying climate-related risks includes the consideration of extreme weather events, regulatory risks, reputational impacts, investment risk and our product range. The materialisation of climate-related risks could lead to lower asset valuations and increased market volatility, but the range of possible outcomes is highly uncertain.

We seek to push for appropriate climate risk management at the market level through sovereign issuer engagements, such as the example below with Australia.

Australia's progress on net zero (TRPA)

Australia Government Bond

Focus	Governance
Asset Class	Fixed Income
Country	Australia
Collaboration Partner	The United Nations Principles for Responsible Investment
Background	A group of investors, including T. Rowe Price Associates, met with the Australian government in July 2024. We had already met with representatives earlier in the year, having identified the adverse impacts of climate change on the country. The objective of this collaborative engagement was to convey and reinforce our views on climate change-related issues and to share our feedback on two ongoing sovereign engagement items we had previously communicated on. These included: – Disclosure of energy and greenhouse gas (GHG) emissions—2030 interim and 2050 longer-term net zero target – Decarbonisation in the electricity generation sector
Engagement Outcome	Australia has made recent progress on GHG emissions, concurrent with the 2022 election of the Anthony Albanese-led labour government. With the passage of the Climate Change Act of 2022, Australia became one of only 29 sovereigns globally that has legislatively binding net zero targets (in this instance a 43% reduction by 2030 from the 2005 baseline and a 2050 net zero target). As of September 2023, this interim target required significantly more progress, as the reduction achieved thus far stood at 25.4% with only six years to go. Our feedback to representatives of the Australian government was that we felt the interim target was of the utmost importance, as we view it as instrumental in reaching the 2050 target. We provided further feedback on the importance on having a credible emissions reduction plan, with focus particularly on real-world decarbonisation in the electricity generation sector, which at 32.3% share of total Australian emissions makes it the highest-emitting sector in Australia. This is because, for example, the Climate Council of Australia's research argues that unchecked climate change and extreme weather could see the Australian property market losing around A$571 billion (US$382 billion) by 2030. This sits alongside a further A$211 billion (US$141 billion) anticipated loss due to reduced climate change-induced agricultural and labor productivity by 2050.[1] The Department of Climate Change, Energy, the Environment and Water and the Australian Treasury representatives agreed with this feedback, sharing that they were 18 months into extensive intergovernmental work focused on filing an updated Nationally Determined Contribution (NDC). They anticipated filing their updated NDC by second quarter 2025, in line with Paris Agreement timelines. As outlined in last year's report, one of our main 2023 engagement practice and reporting changes under Principle 9 was the inclusion of the engagement target-tracking statistics and process description for TRPA. As a result of this engagement, we amended the engagement target statuses in our internal tracker by updating the net zero element of our engagement from 'initiated' to 'in progress'. However, the decarbonisation of the electricity generation element, which has a longer lead time, remains 'initiated' in the tracker.

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[1] Compound Costs: How Climate Change is Damaging Australia's Economy, 2019.

Incorporation of marketwide ESG risks in our sovereign, securitised and municipal debt RIIM

Within fixed income, our respective fixed income-focused Responsible Investing Indicator Model (RIIM) considers environmental factors such as climate change-induced physical risk, carbon intensity of energy, policy for energy transition, baseline water stress and biodiversity protection in an issuer's profile. Additionally, our respective fixed income RIIM tracks metrics related to an issuer's social and governance profiles. This analysis is used to assess debt issuances, but more broadly it informs our perspective on an individual fixed income issuer for analysts and portfolio managers to consider when investing in an issuer. In the RIIM, green indicates no/few flags, orange indicates medium flags and red indicates high flags. The RIIM profile for Australia, to accompany the prior case study, reflects the focus on climate risk. We will revisit our assessment of Australia's GHG emissions performance after the filing of the next Nationally Determined Contribution.

RIIM profile: Australia

RIIM Indicator | Not Applicable | No/Few Flags | Medium Flags

RIIM Indicator				
Environment	Energy & Emissions	No/Few Flags	GHG Emissions Performance	Medium Flags
			Policy for Energy Transition	No/Few Flags
	Freshwater	No/Few Flags	Baseline Water Stress	No/Few Flags
	Climate Risk	Medium Flags	Sea Level Rise	Not Applicable
			Extreme Weather	Medium Flags
	Biodiversity	No/Few Flags	Ocean Health	No/Few Flags
			Biodiversity Protection	No/Few Flags
			Forest Cover	Medium Flags
	Adaptability	No/Few Flags	Adaptability	No/Few Flags
Social	State & Society	No/Few Flags	State – Society Integration	No/Few Flags
			Social Investment	No/Few Flags
			Social Equity	No/Few Flags
	Health	No/Few Flags	Population Health	No/Few Flags
			Health Infrastructure	No/Few Flags
	Human Rights	Medium Flags	Human Rights and Rule of Law	Medium Flags
	Education & Employment	No/Few Flags	Unemployment	No/Few Flags
			Education	No/Few Flags
			Employment Opportunities	No/Few Flags
	Infrastructure	No/Few Flags	Development	No/Few Flags
			Services	No/Few Flags
	Equality	No/Few Flags	Poverty	Not Applicable
			Gender Equality	No/Few Flags
Governance	Governance	No/Few Flags	Voice & Accountability	No/Few Flags
			Political Stability	No/Few Flags
			Government Effectiveness	No/Few Flags
			Regulatory Quality	No/Few Flags
			Rule of Law	No/Few Flags
			Control of Corruption	No/Few Flags
			Non-cooperative Tax Jurisdiction	Not Applicable

The insights within RIIM can also be combined with alternative data sources to support our fixed income teams.

Case study: Texas wildfires (TRPA)

Our Responsible Investing (RI) team continues to leverage alternative data sources in its RIIM analysis and ratings to potentially aid the respective fixed income investment teams in their capital allocation decisions.

The Texas Smokehouse Creek fire in February and March 2024 was the largest in the history of the state and the second largest on record in US history. In light of the tragic events, the RI team wanted to ensure that our municipal (munis) investment team, including portfolio managers, analysts and traders, had a degree of visibility on municipal bond collateral potentially exposed to the wildfire, down to CUSIP-level[2] exposure.

The RI team worked with its geolocation data provider to map current muni market obligors, overlaying the area impacted by the fire. Areas were ranked by both area burning and percent of area under threat. This resulted in data which identified what the team believed were potentially exposed CUSIPs, which were shared with their fundamental muni colleagues. Select T. Rowe Price fixed income funds in instances reduced and/or sold down their exposure to a security that had been identified as potentially impacted.

[2] A CUSIP number is a unique 9-digit identification number assigned to financial securities in North America.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

How we promote a well-functioning financial system

Our Legislative and Regulatory Affairs (LRA) team monitors new and amended regulatory requirements globally, including those relevant to the work of the Responsible Investing and Governance teams. The LRA and our Responsible Investing and Governance teams participate in advocacy initiatives on a selective and strategic basis.

Sometimes we will engage directly in policy advocacy, participating in public consultations published by regulators, as in the examples below.

2024 case studies

Our advocacy is global in reach

The 2024 examples below show that the LRA was active in responding to consultations in the Europe, Middle East and Africa (EMEA); Asia Pacific (APAC); and US regions during the reporting period.

Advocating for better functioning and more inclusive retirement savings regimes
Globally, T. Rowe Price is working to support and encourage policies that promote retirement outcomes for participants that enable them to retire with dignity and confidence. Based upon our experiences as a sponsor of retirement savings funds and as an administrator and recordkeeper to retirement savings plans, we know that starting early, saving consistently and taking appropriate long-term investment risks can allow people to reach their retirement savings goals and help ensure that those savings last throughout retirement. These principles guide us at T. Rowe Price as we work with policymakers around the world to foster strong and inclusive retirement savings regimes.

In 2024, much of our retirement savings advocacy focused on the US. In January, we responded to the US Department of Labor (DOL) proposal on the definition of an investment advice fiduciary (known as the DOL's 'fiduciary rule'). Like many others, we expressed concerns that the proposed rule and related exemptions would create a number of unnecessary burdens and complications that could negatively impact retirement security without providing any meaningfully increased fiduciary protection. In particular, we thought that the broad expansion of the DOL's long-standing definition of fiduciary investment advice would disrupt the education and assistance currently provided to retirement savers and plan fiduciaries.

In May, we made recommendations to the DOL and other government agencies as they were seeking to consolidate, simplify, standardise and improve current US pension and tax reporting and disclosure requirements. In our letter, we strongly supported the expansion of electronic delivery options and made a number of other recommendations designed to mitigate some of the unnecessary and burdensome impacts of the current reporting and disclosure regime.

In July, we met with officials in the US Department of the Treasury to discuss implementation challenges with the 'Saver's Match', which is intended to benefit low-income workers by offering a refundable tax credit that must be invested in a retirement vehicle. To encourage the success of this programme, the Department of the Treasury sought input on operational concerns with investing the match in employer plans. We highlighted several practical issues, such as what happens if money is sent in error or if the worker is no longer with the employer.

In September, we testified in front of the ERISA Advisory Council on the subject of retirement income. In that testimony, we explained our innovative five-dimensional (5D) approach framework for understanding and quantifying the unique preferences and needs of retirement investors. This patent-pending 5D framework offers a new method to help plan sponsors evaluate retirement income solutions for their participant populations. We also explained, in written testimony, our managed payout solution for drawing down retirement savings.

Throughout the year, we have shared our research and thought leadership with policymakers, particularly our research relating to the persistence of significant gaps in retirement savings amongst some demographic groups. Black and Hispanic workers have lower participation rates, and both these groups, along with women, have lower savings. We believe that leveraging auto-features to start saving earlier, as well as emergency savings programmes, could greatly benefit these groups and that timely personalised communications in a worker's preferred language can encourage saving.

Supporting the improvement of climate-related financial reporting
As we noted in Principle 1, one of our key advocacy priorities is to support the improvement of climate-related financial reporting aligned to current and upcoming standards, including the International Sustainability Standards Board (ISSB). As jurisdictions consult on whether and how to adopt the ISSB standards into their legal frameworks, we continue to submit letters of support for the standards' adoption. Beginning with the UK in October 2023, in 2024 we submitted letters in Australia, Canada, China, Singapore, Japan, South Korea, Mexico, Thailand, Hong Kong, Malaysia and Chile.

FCA Listing Rules response in the UK
In March 2024, we responded to the FCA's follow-up consultation on primary markets' effectiveness, focusing our advocacy on our desire for appropriate protections to remain in respect of dual class shares, notably the continued presence of a sunset clause. We also met with the FCA alongside other investors to advocate for our position, but unfortunately our suggestions were not reflected in the revisions to the UK Listing Rules which took effect in July 2024.

Supporting responsible stewardship
Following on from our direct response to the Financial Reporting Council on changes to the corporate governance code in 2023, we continue to advocate through roundtable sessions and our trade associations with respect to the proposed changes to the UK Stewardship Code. We responded to the consultation with our own letter expressing support for the proposed changes to the definition of stewardship, which we felt provides some relief for global investors facing the challenge of divergent regulatory regimes.

Responding to corporate governance consultation in Hong Kong
In August 2024, we responded to the Hong Kong Exchanges and Clearing Ltd (HKEX) consultation on corporate governance supporting strengthened Board governance in respect of independent non-executive directors and to promote Board diversity.

Our role in relevant industry initiatives

We believe collaboration with other institutions on industrywide issues benefits our clients. Where appropriate, senior members of our Responsible Investing and Governance teams will take leadership roles in investment industry initiatives.

Interviewing the chair of ExxonMobil at the Council of Institutional Investors	In September 2024, Donna Anderson, head of Corporate Governance at T. Rowe Price, interviewed the chair of ExxonMobil at the Council of Institutional Investors (CII) Fall Conference. Among the topics discussed was ExxonMobil's litigation against an investor and a shareholder group, undertaken in order to stop a climate-related shareholder proposal from going to a vote at the oil company's annual general meeting.
Participation in the Asian Corporate Governance Association's working group	In 2024, we were members of the Asian Corporate Governance Association's (ACGA) working group of members and other interested investors to discuss the issue of Japanese companies' so-called strategic shareholdings that include allegiant and cross-shareholdings. In April 2024, we were signatories to the ACGA's resulting letter, which underscored the need to accelerate the further reduction of these shareholdings. Jocelyn Brown, the head of Governance, EMEA and APAC, signed the ACGA letter and met with policymakers as part of an ACGA delegation to Japan in September 2024. Feedback from the delegation is available here.
Election to the ExCom of the Principles of the ICMA Appointment to the PRI Sovereign Debt Advisory Committee	In 2024, Tongai Kunorubwe, TRPA's head of ESG, Fixed Income, was elected to the Executive Committee of the Principles of the International Capital Market Association (ICMA). ICMA provides the Secretariat for the Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) and the Sustainability-Linked Bond Principles (SLBP)—collectively known as 'the Principles'—which are the de facto global issuance standard for the international sustainable bond market (referenced by 97% of issuers in 2023). Additionally, in 2024 Mr. Kunorubwe was also appointed to the Sovereign Debt Advisory Committee of the Principles for Responsible Investment (PRI). The PRI is the world's leading proponent of responsible investment.

Under Principle 10, we discuss how we participate in collaborative engagements and other investor initiatives.

OHA's approach to promoting well-functioning markets

Improving access to ESG data within the alternative credit markets remains a key focus of OHA, as it firmly believes that greater disclosure, transparency and harmonisation will help drive action and effective engagement, which may ultimately lead to real-world outcomes. OHA works closely with its peers, banks and private equity firms to enhance industry collaboration and promote the consistent disclosure of key ESG indicators.

ESG IDP

The ESG Integrated Disclosure Project (ESG IDP) is an industry initiative bringing together lenders in the private credit and syndicated loan markets to improve transparency and accountability. The initiative was supported by a number of investor associations, including the Loan Syndications and Trading Association, the United Nations-supported Principles for Responsible Investment, the Alternative Investment Management Association and the Alternative Credit Council.

The ESG IDP provides borrowers with a harmonised and standardised means to report ESG information to their lenders, streamlining the disclosure process for borrowers and enabling lenders to receive consistent data from sponsored and non-sponsored companies in the private and broadly syndicated credit markets. OHA believes that by providing a baseline for ESG information requests, the template will encourage more consistent reporting and support comparison across the industry.

OHA provided significant methodology design input and technical feedback, and our contribution was acknowledged by the ESG IDP on its website. OHA is excited about the benefits the ESG IDP brings to multiple stakeholders:

- For borrowers and private companies: provides greater certainty on the ESG indicators that are most relevant to lenders, allowing borrowers to concentrate on a baseline of disclosures that is more consistent with private equity initiatives rather than respond to a multitude of similar questionnaires
- For investors: improves the consistency of disclosures and enhances ability to identify industry-specific ESG risks in their credit portfolio and compare meaningful data
- For credit fund managers: supports the ability of credit fund managers to engage with borrowers on disclosure as well as develop efficient investor reporting processes

The ESG IDP is led by its Executive Committee and Secretariat. Together, they oversee the use and development of the ESG IDP template to support the consistent collection of data; raise awareness and promote the sharing of knowledge and sound practices amongst borrowers, lenders and investors about the ESG IDP; and coordinate with stakeholders to support a harmonised approach to ESG disclosure.

Initiative Climat International (iCI)
OHA joined iCI in 2022 and leads the Global Private Debt Working Group. iCI offers investors in the private markets a platform for sharing best practices in analysing, managing and mitigating climate-related financial risk and emissions amongst their portfolios.

iCI's goals are to facilitate climate change action in private markets in two ways:

(1) engaging the wider private markets industry to better understand and manage carbon emissions and (2) working towards forward-looking analysis of climate-related financial risk in alignment with Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

The group's first initiative was to create a resource guide for portfolio companies and sponsors. This document is intended to be a primer and resource for companies that are interested in learning more about, or plan to start, accounting for their emissions. OHA has shared this resource with companies and sponsors during its regular engagement processes. The guide synthesises insights, resources and tools from globally recognised organisations and standards to inform and facilitate key decisions and promote measurement and information sharing, including: GHG Protocol, TCFD and Science Based Targets initiative.

Private Debt Advisory Committee (PDAC) of the PRI
OHA joined the Private Debt Advisory Committee (PDAC) of the Principles for Responsible Investment (PRI) in January 2024, joining with several industry peers. The primary role is to design, deliver and disseminate private debt guidance products to help asset owners, service providers and investment managers implement the PRI's principles. OHA has participated in working groups focused on data and reporting, borrower- and sponsor-focused engagement, emissions reduction initiatives and overall stewardship within private debt.

In addition, OHA is engaged with various organisations to promote industry collaboration:

- Loan Sales and Trading Association ESG Committee
- European Leveraged Finance Association ESG Committee
- The Alternative Investment Management Association's Responsible Investment Working Group/Alternative Credit Council

Closing reflection

Our initiatives are largely as detailed in last year's report, and 2024 saw a continued focus on advocacy. Senior members of the various ESG teams across the advisers continue to support our policy advocacy work and take leadership positions in relevant industry initiatives. As last year, Principle 4 includes a deep dive on OHA's work to promote the consistent disclosure of key ESG indicators in the alternative credit markets. A key development in this area in 2024 was OHA joining the Private Debt Advisory Committee of the Principles for Responsible Investment.

PRINCIPLE 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

How we reviewed our policies to ensure they enable effective stewardship

T. Rowe Price's ESG-related investment strategies, opportunities and risk appetite are set at the Group level. The Group's ESG accountability framework is set out in the chart in Principle 2. The key entities in the framework and the responsibility of each committee are discussed below.

Senior management's role in assessing and managing ESG-related risks and opportunities

To ensure the firm appropriately identifies and manages potential ESG-related risks and opportunities, we have incorporated ESG considerations across the Group's core business functions as part of our risk management programme aligned with the three lines of defense model, as outlined in Principle 4.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee (NCGC) is a Group Board committee and oversees ESG across the firm. This includes ESG factors related to the firm's operations and investment activities. In 2020, amendments were introduced for the NCGC charter to monitor performance objectives and progress against our corporate goals and targets for ESG-related issues. Additionally, the NCGC receives updates on the firm's ESG activities from the ESG Enablement team.

Management Committee and Enterprise Risk Management Committee

The T. Rowe Price Group Board's Management Committee assesses ESG-related risks and opportunities via formal governance committees. The Enterprise Risk Management Committee (ERMC), which is chaired by the firm's chief risk officer (CRO), assesses ESG-related risks. The Investment Management Steering Committee (IMSC) and the Product Strategy Committee (PSC) oversee ESG-related opportunities.

Responsibility for ESG investing and corporate sustainability is consolidated under Eric Veiel, head of Global Investments and a member of the Management Committee and the ERMC. In January 2024, Todd Henry became head of Investment Strategic Partners, reporting to Mr. Veiel and responsible for several ESG functions, including ESG Enablement, Corporate Governance and Responsible Investing. Under Mr. Henry, the ESG Enablement and ESG Investing teams are responsible for developing and managing the firm's sustainability initiatives in their respective areas of focus. Day-to-day tasks involve the identification, assessment, tracking and mitigation of ESG risks and opportunities.

ESG Enablement and ESG Oversight Committee

In recognition that ESG activities are present across multiple operating functions for investment management firms, the firm created a new global ESG Oversight Committee (ESGOC) in 2023. Chaired by the co-heads of ESG Enablement, ESGOC, a central and global oversight body, will help support governance around our ESG activities and report into the IMSC, with regular updates to the ERMC.

Mr. Veiel and the firm's CRO serve on the ESGOC. The ESGOC is responsible for:

- Developing and driving T. Rowe Price's ESG strategy
- Approving ESG-related memberships, disclosures and corporate sustainability policies
- Ensuring coordinated, consistent and prioritised execution of ESG initiatives and management of ESG risks
- Fostering ESG collaboration across the organisation
- Embedding operational support for ESG across the organisation at scale
- Monitoring performance against goals and targets

The ESG Enablement team's purpose is to develop and implement T. Rowe Price's firmwide ESG strategy as well as to foster ESG collaboration across the organisation.

ESG Investing Committees

Oversight of ESG investing policies, ESG integration, sustainable and impact investment frameworks, engagement and proxy voting processes resides with T. Rowe Price's ESG Investing Committees, made up of senior leaders, managers, analysts and ESG specialists at the firm.

The ESG investing policies apply across the Group and at the adviser level in respect of the investment strategies that T. Rowe Price Associates, Inc. (TRPA), and T. Rowe Price Investment Management, Inc. (TRPIM), manage for their clients. ESG factors, including risks and opportunities, are embedded across T. Rowe Price investment research platforms. As noted in Principle 1, the ESG Investing Committees approved two new investment policies in 2024: the Investment Policy on Biodiversity and the Investment Policy on Human Rights.

The senior managers at TRPA, TRPIM and OHA responsible for investment activity also have ESG Investing Committee membership (known as the ESG Committee at OHA), providing a further oversight and information link to their respective individual entity Boards.

Audit Committee

The Audit Committee is a Group Board committee. It considers ESG matters as they impact disclosures in the Group's financial statements, including climate-related risks. In addition, the Audit Committee receives updates and regularly discusses ESG-related legal and regulatory developments with the firm's general counsel and chief compliance officer.

Executive Compensation and Management Development Committee

A Group Board committee, the Executive Compensation and Management Development Committee (ECMDC), has responsibility for considering how ESG matters, including climate-related risks and opportunities, may impact management compensation. The ECMDC considers the firm's ESG efforts when reviewing and approving general salary and compensation policies for management.

Business unit controls

Each business unit has responsibility for their controls and processes, which support our stewardship activities and ESG integration. As discussed above, oversight of our activities is provided by the relevant ESG Investing Committee within TRPA, TRPIM and OHA. Broader corporate controls, including those related to ESG topics, may also be overseen by the ESG Oversight Committee (ESGOC) and the Enterprise Risk Management Committee (ERMC) as set out in the diagram in Principle 2. Additional working groups, formed with representatives of the ESG Investing Committee and under its remit, are set up either for specific projects or on an ongoing basis. Other working groups are formed as required.

Information barriers between the advisers

We have established protocols between TRPA, TRPIM and OHA.

As context, in 2022, we established TRPIM as a new US Securities Exchange Commission-registered US adviser to allow us to generate new capacity whilst retaining our scale benefits and positioning our investment teams for continued success. To support the separation of the investment platforms of TRPA and TRPIM, information barriers and associated controls were established. A similar information barrier was established as part of the acquisition of OHA.

Pursuant to the policies governing the information barriers, certain investment data will not be shared by and between the three advisers and their personnel, in order to support their independent decision-making.

Enhancing ESG integration oversight within Fixed Income

The Fixed Income ESG Steering and Advisory Committee (FIESTA) reports directly to the Fixed Income Steering Committee and is tasked with providing oversight of the Fixed Income Division's ESG integration priorities whilst advising on future development and resourcing needs in this area. The committee has investor representation across all Fixed Income business units as well as Brand and Marketing, Product, the Investment Specialist Group and Responsible Investing.

Two priority areas for 2024 were the committee's oversight of the introduction of enhancements to the residential mortgage-backed securities (RMBS) RIIM and the commercial mortgage-backed securities (CMBS) RIIM.

Case study: Enhancements to both the RMBS and CMBS RIIMs

The Responsible Investing team continued to work in collaboration with our securitised analyst colleagues to make enhancements to the securitised RIIM. Given that the securitised asset class has numerous subsectors, each with unique material factors driving credit risk, this involved enhancing our existing unique RIIM for select securitised subsectors. In 2023, we reported on enhancements that were made to the automated asset-backed securities subsector RIIM. In 2024, we made a number of model enhancements to both our RMBS RIIM and our CMBS RIIM. Having made enhancements, we envisage these being built into Darwin, the technology platform that houses our environmental, social and governance (ESG) models and frameworks.

Sixteen factors were added to the enhanced RMBS RIIM (up from three previously) to derive ESG scores at the issuer (special purpose entity) level based on attributes of the underlying assets and borrower. Similarly, 10 factors were added to the enhanced CMBS RIIM.

Considerations when selecting underlying factors for both RMBS and CMBS subsectors included materiality, relevancy to the RMBS or CMBS subsector, data availability and disclosure frequency.

These enhancements, we believe, allow us to incorporate numerous complexities unique to either RMBS or CMBS. As an example, we integrate real-world natural disaster risks (i.e., hurricane, flood and wildfire) and local mitigation infrastructure into our RMBS and CMBS ESG integration model. Borrowers in high physical climate risk regions or areas frequently impacted by natural disasters may be more likely to enter forbearance or delinquency in the event their assets are impaired. Furthermore, skyrocketing property insurance premiums in recent years have stretched homeowners' household budgets. These factors could result in disruptions to MBS cash flows (a negative outcome for us as investors); hence, we evaluate RMBS and CMBS collateral pool climate exposures. These additions provide important information to our investors.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Over and above this, as detailed in prior reports, FIESTA continued its integration and monitoring role through daily tracking of sustainable revenue and green revenue alignment.

How we align our investments with local legal requirements and market expectations

We contribute to a well-functioning financial system by implementing official exclusions which reflect our interpretation of legal requirements or market expectations in the region. This could include additional reporting or changes to our investment processes.

A key initiative in 2024 was preparing for the introduction of the new Sustainability Disclosure Requirements (SDR) regime in the UK. In December we were pleased to hear that two of our impact funds had gained approval to use the Sustainability Impact label under the FCA's SDR regime. One fund is an equity strategy, and the other invests in credit; the latter being one of the first fixed income funds to achieve the SDR Sustainability Impact label.

At T. Rowe Price, we implement limited sets of exclusions on our portfolios.

The vast majority of our assets under management are only subject to a set of firmwide exclusions which target genocide and/or crimes against humanity.

We maintain a global exclusion list of certain securities that, in our estimation, pose high risk due to their exposure to supporting governments carrying out genocide and/or crimes against humanity. The policy targets companies that exhibit a blatant disregard for due diligence on genocide and/or crimes against humanity and have repeatedly been involved in supporting governments carrying out these events.

For some of our assets under management, additional exclusions are applied to vehicles in specific regions where market preferences exist, as described as follows:

- In our UK-, Luxembourg- and Canada-registered portfolios, we maintain an exclusion policy on certain issuers deemed to be engaged in the manufacture, production or assembly of controversial weapons, which includes anti-personnel land mines, biological and chemical weapons, cluster munitions and incendiary weapons.
- In our Australia-registered portfolios, there is no intention for the Australian unit trusts to invest in or hold any securities of companies that have direct exposure to the manufacturing of tobacco or key tobacco components (such as tobacco leaf and cigarette filters but excluding packaging).

All portfolios can be subject to sanction-related exclusions. At any point in time, a portfolio may be prohibited from investing in certain sovereign or corporate instruments associated with targeted US or international sanctions.

Part of ensuring that we are ready for any regulatory change is assessing any data points which will be needed to meet the regulatory requirement.

Case study: Preparing for the EU Deforestation Regime

On 29 June 2023, European Union (EU) regulation 2023/1115 restricting the sale of products that may cause deforestation or the degradation of forests (EU Deforestation Regime (EUDR)) entered into force. The EUDR is the first legislation of its kind in the world. It requires companies to undertake due diligence and to meet certain information requirements, including the geolocation of the relevant commodities contained in or used to make the relevant products, as well as the common name and full scientific name of all species for wood products.

In early 2024, our responsible investing analyst undertook a field trip focused on sustainability issues in the palm oil industry, seeking to understand the information which companies planned to capture and which would be needed by our investors. We spoke to various stakeholders across the industry in Indonesia and Malaysia and also undertook on-site visits to plantations and mills. One of our core objectives was to assess the preparedness of the palm oil industry for, and potential risks posed by, the EUDR. Subsequently, in October 2024, the European Commission proposed to delay the implementation of the EUDR by 12 months to give companies more time to prepare.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Enterprise Risk Group, Legal & Compliance and Internal Audit

Our Legal & Compliance Department provides legal and regulatory advice to the business units on ESG-related matters. The Enterprise Risk Group's role in ESG oversight is discussed in Principle 4.

The processes overseen by the Responsible Investing and Governance teams are subject to assurance by Internal Audit.

2024 Internal Audit case studies

Case study: ESG entity-level reporting working group

In the 2023 Stewardship Report, we noted that Internal Audit had conducted an environmental, social and governance (ESG) disclosure consulting review in 2023. The main outcome of the review was to flag the opportunity for more coordination between our 'flagship' ESG disclosures, the ESG Investing Annual Report, the Stewardship Report and the Sustainability Annual Report. We introduced a set of governance principles and the introduction of a common controls framework across all the Group ESG reports.

This work continued in 2024 to review production processes for opportunities to improve disclosure consistency and timeliness. The scope of the project covers 10 T. Rowe Price reports and submissions globally. The cross-functional team involved included colleagues in Risk, Audit, Responsible Investing, Governance, ESG Enablement and Legal.

The project identified common data elements across the reports, such as the annual voting and engagement statistics, for subsequent reuse in other reports. The reuse opportunities identified were implemented in our 2024 reporting cycle.

Case study: Japanese Stewardship Code

In 2024, APAC Internal Audit reviewed the adequacy of the policies, procedures and internal controls related to the production and approval of the 2023 T. Rowe Price Japan Stewardship Code (Appendix B of the 2023 Stewardship Report) and related disclosures (i.e., Engagement Activities, Self-Evaluation and Proxy Voting Results). The report recommended a revised oversight model including an additional in-country sign-off. The new approach will be implemented in 2025.

External and internal assurance

Our enterprise risk management programme is the primary approach to manage risks and provide assurance on our stewardship activities. The assurance conducted by our Internal Audit team—in consultation with our Compliance and Risk teams—is a robust approach that capitalises on the teams' knowledge of our business and our internal controls framework for the assessment. However, we will supplement this with external assurance where appropriate.

Case study: Limited assurance review of our sustainability report

For the first time, T. Rowe Price Group's Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) disclosures were reviewed for limited assurance by Grant Thornton, an independent public accounting firm. The review concluded that there were no material modifications that should be made to the subject matter.

In advance of the review, T. Rowe Price had undertaken efforts to enhance data collection processes and improve oversight.

T. Rowe Price Group's Sustainability Report, which includes its TCFD and SASB disclosures, was formally approved by the Nominating and Corporate Governance Committee of the Board of Directors for the first time.

How review and assurance promote continuous improvement of our stewardship policies and processes

ESG Investing Committees

The individual ESG Investing Committees of each entity (TRPA, TRPIM and OHA's ESG Committee) oversee ESG investing activities including ESG policies, engagement programme, proxy voting, exclusion lists and ESG frameworks such as RIIM, Impact and Net Zero).[1]

How we ensured that our stewardship reporting is fair, balanced and understandable

The core Stewardship Code Working Group for the 2024 report has primary representation from Investments in TRPA, TRPIM and OHA; Legal; Editorial and ESG Marketing. A senior manager from our ESG Enablement team held the role of project manager for the 2024 Stewardship Report. The inclusion of Legal on the core working committee was to ensure it could serve as a point of contact to safely incorporate content from all three advisers. This was necessary given the presence of investors, who were classified as restricted investment personnel (RIP), from all three advisers on the working group and to participate in the design of the revised controls framework.

Content or advice was provided from subject matter experts in other business units, including Corporate Sustainability, Product, the Investment Specialist Group and Distribution. Global Communications Compliance also reviewed this submission in accordance with local regulatory and internal firm requirements.

2024 stewardship reporting and amendments to the review process

Our working group composition and our review process ensure that content from all three advisers could be incorporated within multiple principles within the 2024 Stewardship Report. The majority of the examples are still sourced from TRPA, as over 80% of all the assets in T. Rowe Price Group are held within TRPA; however, more cases from TRPIM are provided in this year's report. A detailed discussion of the T. Rowe Price Group AUM broken out by asset class, adviser, client type and client geography can be found in Principle 6.

An independent reviewer supported the working group during the document creation phase. The reviewer provided an assessment as to whether the document was in line with the code as part of the sign-off process. In the first quarter of 2025, the Internal Audit team undertook an assurance exercise of the voting and engagement statistics and reviewed the working papers for a sample number of case studies and engagement targets.

The Board of T. Rowe Price Group, Inc., oversees the operations of the corporate entity, and it has delegated ESG oversight to its NCGC pursuant to the NCGC charter. Hence, our Stewardship Report was reviewed by the T. Rowe Price Group NCGC in February 2025.

We believe the size of T. Rowe Price's AUM qualifies us to be a very large organisation, and only independent non-executives serve on the NCGC. In February 2025, the NCGC approved the filing of the document following review by the TRPA and TRPIM ESG Investing Committees and key representatives of the OHA ESG Committee and the ESGOC. As in previous years, we consider the entire T. Rowe Price Group to be covered by this disclosure.

Eric Veiel is head of Global Investments and our chief investment officer. He serves on our T. Rowe Price Group Management Committee as well as our TRPA ESG Investing Committee. He serves as the named signatory for the 2024 Stewardship Report. See Principle 2 for details.

[1] OHA does not use RIIM, Impact or Net Zero frameworks.

Closing reflection

There were two main developments this year. For the first time, T. Rowe Price Group's Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) disclosures were reviewed for limited assurance by Grant Thornton, an independent public accounting firm. The review concluded that there were no material modifications that should be made to the subject matter. Second was that a new oversight process was designed for the Japanese Stewardship Code ancillary reports, which will strengthen the degree of in-country oversight. The new process will be implemented for the first time in 2025.

PRINCIPLE 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Taking account of client needs

Our global client base includes individuals (US only), intermediaries, institutions, consultants and plan sponsors. The deep partnerships we have built with our clients are crucial as we navigate dynamic market conditions. We take care to understand our clients' needs and deliver timely, actionable insights and solutions to help them navigate change and achieve better investment outcomes.

Our ability to innovate, customise and deliver what we do across a broad range of capabilities and vehicles is critical to meeting the needs of our growing, diverse, global client base.

Investing for the long term

Our active management approach is designed to deliver strong long-term, risk-adjusted investment results for our clients over market cycles and through different market environments. The majority of our strategies have an investment time horizon spanning a full economic cycle, which can typically range from three to eight years. Markets are dynamic, and we believe investing should be too. Our investment professionals are independent thinkers. They have the freedom to find the right investments and identify market risks to meet our clients' objectives. We believe the rigor of our research and our collaborative investing culture lead to dynamic perspectives and better decisions. We integrate ESG factors into our investment approach, and they drive how we behave as a company.

Assets we manage

Total assets under management (AUM) in our care[1]	
2024[1]	US$1.606 trillion (+11.2%)
2023	US$1.445 trillion
2022	US$1.27 trillion

We manage equity and fixed income securities and use these building blocks to provide multi-asset and bespoke solutions. Our product offering also includes alternatives, including private credit and venture capital. We do not manage dedicated (unlisted) real estate or infrastructure assets.

Continued commitment to excellence for our clients, shareholders and associates

Against a backdrop of broadening global growth and resurgent inflation, we saw a 11.2% increase in our 31 December 2024 assets under management (AUM) compared with 31 December 2023. The increase in AUM was driven by market appreciation and investment outperformance. Overall outflows were lower in 2024 compared with 2023.

We are also unlocking new ways to connect with more clients and prospects globally. 'The Power of Curiosity' advertising campaign that was introduced earlier this year has officially launched across all regions, with the most recent rollout in Australia. We announced our marquee partnership with the Baltimore Orioles as the baseball club's exclusive investment and wealth management sponsor, a partnership that includes numerous elements that will amplify our brand and help support our long-term growth initiatives.

We continued to make substantial progress towards our strategic priorities, enabled by a commitment to continuous improvement and an openness to doing things differently, in order to deliver excellence for our clients. In 2024, we recognised a number of milestones in support of our strategic goals:

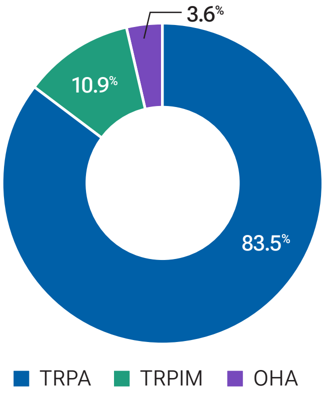
- Year-over-year gross sales improvement with wealth and individual investor (US only) clients.
- Launch of first major wirehouse for our joint co-branded product with OHA, a key strategic partner in the wealth management channel.
- Creation of the Social Security Optimizer tool to help our US clients maximise their Social Security benefits.
- Continued expansion of our exchange-traded fund (ETF) product line.
- Establishment of AI Labs, a team dedicated to enhancing our analytical capabilities.
- Launch of Personalized Retirement Manager (PRM) for our Retirement Plan Services (RPS) clients. As the industry's first retirement management account solution designed to fully extend the target date philosophy and process to deliver personalisation, this proprietary service uses personal data to create a unique asset allocation tailored to an individual's specific savings goals, preferences and financial situation to help drive better retirement outcomes.
- Launched target date funds in Canada.

[1] T. Rowe Price, as of 31 December 2024. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. (TRPA), and its investment advisory affiliates, including T. Rowe Price Investment Management, Inc. (TRPIM). Figures also include our alternative credit adviser OHA, which operates as a stand-alone business within T. Rowe Price.

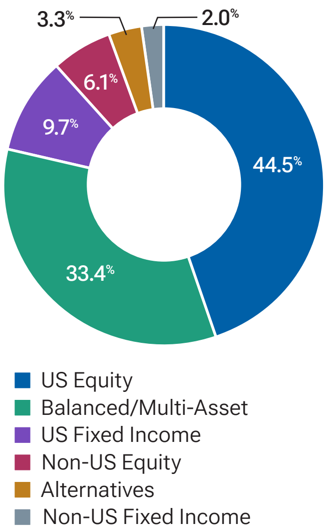
Assets under management—global client base, asset classes and geographies

As of 31 December 2024, we had US$1,606 trillion in assets under management in our care. Numbers may not total due to rounding.

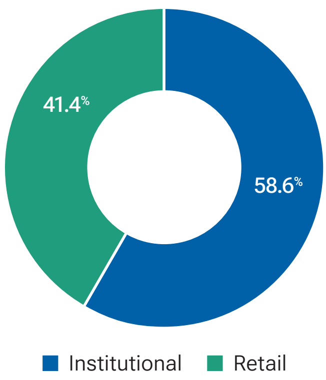
AUM by adviser (%)



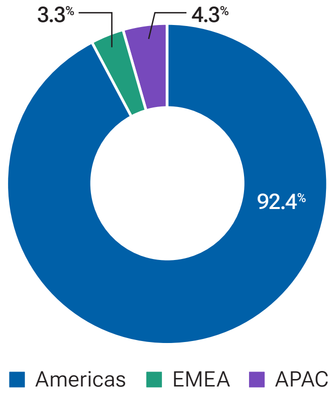
AUM by asset class (%)



AUM by channel (%)



AUM by client geography (%)



Geographical breakdown of asset class[2] (%)

	US Equity	Multi-Asset	US Fixed Income	International Equity	International Fixed Income
US	92.3	99.5	97.6	58.6	54.7
Europe ex-UK	2.3	0.1	0.8	10.2	22.3
Asia ex-Japan	1.8	0.4	0.0	5.4	4.8
Japan	1.6	0.0	0.8	8.5	8.1
Canada	1.1	0.0	0.0	3.2	0.7
United Kingdom	0.4	0.0	0.0	0.7	3.6
Africa/Middle East	0.4	0.0	0.0	0.1	0.2
Latin America	0.1	0.0	0.8	0.4	0.8
Australia	0.0	0.0	0.0	13.0	4.8
Other	0.0	0.0	0.0	0.0	0.0
Total % of total AUM	**47.2%** (46.2% in 2023)	**34.6%** (34.7% in 2023)	**9.9%** (10.0% in 2023)	**6.4%** (7.2% in 2023)	**1.9%** (1.9% in 2023)

All data sourced by T. Rowe Price, as of 31 December 2024. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates, including TRPIM and OHA.

[2] Geographical breakdown of asset class excludes OHA.

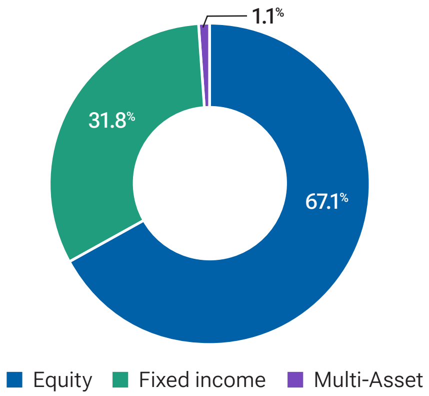
Assets under management in our investment products with ESG mandates

As of 31 December 2024, US$83 billion[3] was in pooled vehicles and separate accounts with a mandate that includes ESG criteria, defined as follows:

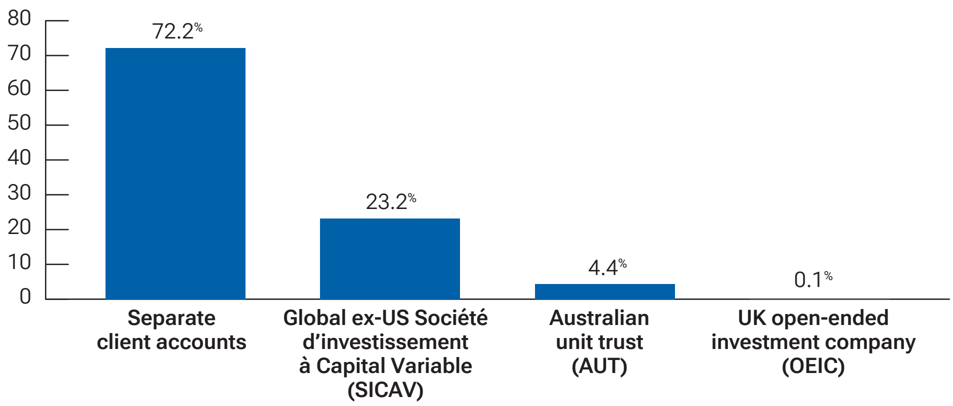
- ESG enhanced—promote specific ESG characteristics alongside financial returns. They incorporate binding environmental and/or social commitments that will vary by product type, such as values- and conduct-based exclusions, alignment to sustainable investments, a positive tilt to Responsible Investing Indicator Model (RIIM) scores, greenhouse gas reduction targets or net zero goals.
- Impact—seek to deliver positive societal and/or environmental impact alongside financial returns. Investments are made with the intention to generate positive, measurable environmental and/or social impact.

T. Rowe Price is committed to providing stakeholders with meaningful, relevant and decision-useful sustainability information. Therefore, we use Sustainability Accounting Standards Board (SASB) standards to provide industry-specific disclosure of material ESG issues. To find out more, see our Corporate Sustainability Report, available on our **website**.

ESG AUM by asset class (%)



ESG AUM by pooled investment vehicle[4] (%)



All data sourced by T. Rowe Price, as of 31 December 2024. AUM includes assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates, including TRPIM, but excludes OHA. Numbers may not total due to rounding.

How we engage with clients to communicate activities and outcomes

We engage with our clients to better understand their evolving needs. We keep them informed about how we are helping them achieve their goals and share insights about the impact of world and market events on investments. We do this in the following ways:

Client relationships—local expertise across a global network
Our global network of relationship managers, who have local language capabilities and are based in our network of offices located in 17 markets across the world, is accountable for the overall management of the client relationship. Relationship managers provide personal service and support. They address due diligence and information needs through request for proposals and due diligence questionnaires, helping clients better understand our business, products and investment approach.

Benefits of this global network may include:

- A localised structure, with relationship managers across geographies, ensures alignment with local client needs, trends and regulations
- Access to market updates across a wide range of equity, fixed income and multi-asset strategies that invest in developed, emerging and frontier markets
- Timely, actionable insights from our investment specialists from around the world. These insights aim to show clients how our investment teams are responding now and how they are thinking about what's coming—so clients have a more complete picture of the investment landscape

[3] ESG AUM data are not audited.

[4] There is a small amount of assets under management in managed accounts and US mutual fund vehicles managed with ESG criteria. Due to rounding, these are not displayed in the graph above.

Below are examples of engagements with our clients and consultants to ensure we understand their views and ESG investment goals.

Institutional clients
We engage in regular two-way dialogue to understand respective views on ESG and discuss how our ESG capabilities could help meet investment goals. Clients' interests and expectations around ESG and stewardship are gathered and form the basis for in-depth discussions and due diligence meetings. Investment requirements of institutions that invest through separate accounts are often customised. These tend to require more one-on-one engagement with investment teams, as well as legal, compliance and product development teams, to develop solutions that reflect their investment objectives and values. We work with EU-based clients to fully understand their sustainability preferences—views towards sustainable investment and EU taxonomy-aligned investments and/or the use of Principal Adverse Impact indicators to promote ESG themes or manage risks within their portfolio. We discuss the application of those preferences to their portfolio and implications for achieving their goals.
Investment consultants
We conduct regular engagement on ESG as part of formal strategy research meetings, as well as focused meetings with ESG specialist teams at investment consulting firms. We contribute to consultants' industrywide ESG surveys to help identify trends and inform areas for future development. In addition, we liaise with consultants to ensure we are delivering the reporting their end clients need to meet regulatory requirements. We complete questionnaires as requested, and during 2024 we completed several net zero questionnaires sent by consultants that outlined our approach to net zero at both a firm and a strategy level. We also follow the work and guidance of the Investment Consultant Sustainability Working Group (ICSWG) in the UK. We have implemented its engagement reporting template, which is designed to support consistent reporting and collection of engagement data for asset managers. We have clients that are also following the work and guidance of the ICSWG. In October 2024, one of our consultant clients was undertaking a project with the ICSWG to review the availability of social metric data, with the objective of improving the ESG metrics reporting template. The client asked us to review their project and share our feedback. Our ESG subject matter experts reviewed the request and provided the client with a summary of our feedback.
Intermediary clients
We work with a wide range of distribution partners, such as banks and financial advisers, across different regions to understand their distinct ESG needs and expectations. Ultimately, this helps them with their end clients' investment goals. Intermediary client relationships are fundamental to the growth of our business. They facilitate distribution of 'wholesale' products from our various fund ranges to many individuals and organisations. Intermediaries provide valuable insights into end investor trends and needs, which help shape our offering.

Investment Specialist Group: Investment expertise

Client engagement and distribution is augmented with the expertise of our global Investment Specialist Group. This group is part of the investment team with divisions in both TRPA and TRPIM. The Investment Specialist Group comprises investment specialists, portfolio specialists and portfolio analysts who are closely aligned with the investment teams and the strategies that they support.

They work closely with investment teams at each entity and maintain a deep understanding of strategies and markets. In doing so, they free up portfolio managers' and analysts' time, enabling them to focus on managing portfolios and investment analysis. Specialists represent investment teams in meetings with prospects, clients and consultants; develop insightful investment content, analysis and messaging and advocate for portfolio managers, their investment strategies and the investment divisions.

They work with our relationship managers, providing clients with deep insights across all our equity, fixed income, multi-asset and ESG capabilities.

Global Client Account Services (GCAS) teams

GCAS works alongside many teams including relationship managers, investments, trading and operations and legal and compliance, to provide client service and account management support.

This varies according to whether the client invests in our proprietary products or enters into a separate, discretionary or advisory investment service arrangement. GCAS works with internal partners to provide relationship managers with materials such as sales kits and regulatory documents. The team supports pre-onboarding activities, which include preparing due diligence exercises for prospective clients and fact-finding to ensure T. Rowe Price fully understands client requirements. GCAS also plays a key coordination role, leveraging expertise across the firm, to assess and onboard new business. This includes coordinating the evaluation of ESG-related operational features for areas of complexity with relevant technical functions across the firm and navigating their integration into supporting client mandates from an operational perspective. GCAS also plays a day-to-day role in the provision of ongoing post-sale operational servicing. Responsibilities include query management, notifications, reporting and data provisioning, service reviews and triaging.

Global Client Account Services is made up of regional teams to ensure local market expertise. The Global Client and Investment Reporting (GCIR) team, a division within GCAS, specialises in the production and distribution of client investment and fund reporting, including certain fund and separate account ESG reporting. See the ESG reporting section later in this Principle for information on the various client reports we produce.

In-house and third-party industry events

Again in 2024, we were pleased to host the annual European Investment Conference 2024 in Frankfurt and UK Investment Conference in London. These T. Rowe Price-hosted conferences featured plenary sessions on many investment-related topics. There were dedicated sessions on the blue economy and navigating the artificial intelligence cycle, in addition to global market insights.

We also sponsored a trio of impact conferences hosted by Phenix Capital Group throughout the year to raise awareness of our impact investing capabilities. The events were held in Amsterdam, Montreal and New York City. These highly curated institutional investor conferences bring together thought leaders and practitioners in the impact investing space, focused on opportunities to move beyond ESG with impact alongside market-competitive financial returns.

We shared our thought leadership with industry peers. At the Council of Institutional Investors Fall Conference in New York City, Donna Anderson, head of Governance at T. Rowe Price, participated in a thought-provoking dialogue with a leading figure in the energy sector to discuss the future of corporate governance, environmental responsibility and shareholder engagement.

We participated in a multitude of other third-party industry events in 2024 to enable us to address and gauge our clients' areas of interest and concern, share updates on our products and capabilities and offer our views, some of which are highlighted in the following table.

Spotlight: Joining clients and industry peers to listen, discuss and join in the conversation	
Council of Institutional Investors 2024 Spring Conference, Washington, D.C., 4–6 March 2024	We were a gold sponsor of this three-day programme that covered a number of relevant topics for institutional investors, including global stewardship issues.
International Corporate Governance Network Conference, Washington, D.C., 7–8 March 2024	We were a bronze sponsor of this event, which brought together over 200 influential governance professionals who were provided with key insights into best investor stewardship practices and future priorities for companies, investors and stakeholders.
Responsible Investment Association Australasia (RIAA) Conference Australia, Sydney, 1–2 May 2024	The RIAA Conference Australia, for which we were a platinum sponsor, was a two-day event for finance, sustainability and industry practitioners to navigate ESG growth and tightening regulations.
Principles for Responsible Investment (PRI) in Person, Toronto, 8–10 October 2024	T. Rowe Price was an Academic Price Sponsor for PRI's flagship in-person event held in Toronto. Tongai Kunorubwe, head of ESG, Fixed Income, at T. Rowe Price, participated in a panel discussion on The Do's and Don'ts of Sovereign Engagement.
Global Impact Investing Network (GIIN) 2024 Impact Forum, Amsterdam, 23–24 October 2024	The GIIN Impact Forum is the premier global impact investing event which brings together over 1,000 impact practitioners to discuss industry trends, highlight best practices and build a global impact investing community.

How we support our clients' needs

An internal forum of ESG representatives, composed of relationship managers across our global distribution teams, participate in regular meetings throughout the year to share key market trends and regional client feedback. This structured approach to information sharing provides participants and ESG leaders with insights into the views of our global client base, together with any challenges or areas of concern. This helps to align priorities and inform decisions on actions and initiatives to meet client needs.

We also conduct an ESG communications forum, which brings together internal marketing and communications resources (from across all regions) that work on ESG-related matters. The forum, held every four to six weeks, is designed to help members of our marketing communications community maintain connectivity with our ESG strategy and the work ongoing across the organisation and provides an opportunity to share perspectives and leverage work efficiently.

In addition, associates from our Legislative and Regulatory Affairs; Legal, Compliance & Audit and Responsible Investing teams follow, analyse and disseminate information about ESG-related regulatory developments. They conduct internal ESG policy and regulatory briefings with stakeholders throughout the company, including Responsible Investing, Corporate Governance, EMEA Product and ESG Enablement, and update global client-facing teams on ESG regulatory developments and trends to facilitate informed conversations with clients. To stay current, T. Rowe Price associates regularly participate in meetings of and receive information from a variety of trade association committees.

Our centralised Global Market Research team is responsible for gathering insights from a variety of independent, third-party industry studies and carrying out proprietary market research to better understand the evolving needs, behaviours and attitudes of investors and clients around the world. These insights inform our strategic priorities and tactical plans.

We use a variety of sources to better understand perceptions of ESG topics across client types and in different regions:

- Client satisfaction survey—dedicated questions related to ESG preferences and priorities
- Syndicated ESG study—a global view of investor attitudes and behaviours towards ESG
- Brand surveys—to extract insights from third-party studies
- Internal feedback, including relationship manager surveys—to capture regional perceived scale and timings of impacts
- Consultants—active dialogue with consultants across the region

Proprietary and third-party client research—what clients and prospects are telling us

We use market research to enhance our understanding of the evolving ESG landscape. It also provides insights into the changing needs and perceptions of institutional asset owners, discretionary fund selectors and retail financial advisers. We continue to partner with NMG Consulting, a specialist consulting and insights firm, on an annual, syndicated ESG study to explore trends across different client segments in the Americas, EMEA and APAC, using a globally consistent methodology. Findings from this and other third-party studies, as well as from our own customised client research, are presented to our ESG leadership, regional distribution teams and global distribution leadership.

Below is a summary of the most important ESG factors cited amongst asset owners in 2024 by region (based on percent of citations in the top three).

Europe	APAC	North America
Climate change and carbon emissions (84%)	Climate change and carbon emissions (90%)	Climate change and carbon emissions (87%)
Human rights (39%)	Human rights (39%)	Diversity, equity and inclusion (47%)
Transparency and disclosure (26%)	Transparency and disclosure (33%)	Transparency and disclosure (23%)

Source: NMG Consulting, 2024.

In 2024, feedback from clients and prospects across the EMEA, APAC and Americas regions was varied. We highlight a sample of perceptions from across regions below.

Feedback from clients and prospects

"[T. Rowe Price is] reliable but not at the forefront of ESG leadership. They follow ESG principles but could be more proactive. They are consistent but fall behind top ESG-focused managers." – **Insurer, APAC**

"T. Rowe Price needs to improve their visibility and range of ESG-focused products, particularly in fixed income." – **Wealth Manager, Europe**

"[T. Rowe Price has] a good ESG team. Leadership is very smart and dedicated. Some thematic work is very interesting and also courageous, because those strategies take years to gain traction." – **Defined Contribution Pension, North America**

Source: NMG Consulting, 2024.

Addressing client needs in stewardship

We take our role as a fiduciary of our clients' and shareholders' capital seriously. As a matter of principle, we put our clients' interests first. To justify the trust each client places with us, we work to understand their needs and find solutions to satisfy those needs.

The activities of the anti-ESG movement in the US have continued to rise over recent years amidst an environment of heightened state-level legislative scrutiny on US-based asset managers. Whilst many of our clients place a high priority on ESG integration or impact investing, we are aware that just as many express no views on such matters or even hold negative views about the potential effects an ESG orientation may have on their investment outcomes or regional economies. We continue to proactively engage across our client population as a whole, through multiple avenues, to ensure we receive a balanced and current picture of our clients' priorities and perspectives with regard to ESG.

Actions we take

We carry out market research and analysis throughout the year, and the insights we gather help to inform our efforts and monitor progress on various initiatives.

Product needs
We launch new funds and develop bespoke products only after careful analysis of:

- Potential to align or develop capabilities to address client needs
- Investment objectives and whether there is an enduring investment case
- Commercial viability

When we are entirely satisfied with the suitability and viability of an investment strategy and its purpose, we commit to product launches.

We conduct regular reviews of existing products to assess if they continue to deliver in line with objectives and stated benefits to clients. In recent years, we have undertaken significant work to evaluate existing products' alignment to the evolving ESG regulations. For our EU product offering, this includes the SFDR, the EU taxonomy and MIFID II Delegated Acts on sustainability preferences.

Spotlight: Responding to the product needs of our clients

Following discussions with a UK client on our impact investing capabilities, we co-developed a short duration impact credit mandate in 2024, to help them round out their client offering. The anchor UK client seeded the new product at launch, and the strategy is now available as a SICAV to relevant investment professionals.

Spotlight: Expanding our net zero transition approach

Last year, we reported on the implementation of our net zero transition approach, which enables us to engage with clients on the implementation of net zero transition at the portfolio level. In 2024, we expanded the number of products we offer that apply our net zero transition framework. Effective 1 December 2024, two more products in our SICAV range were renamed following a change in the funds' investment policies to incorporate the net zero transition framework.

Keeping clients informed
Local knowledge and deep insights from our relationship managers, direct feedback from clients and prospects and proprietary and independent market research help us build a picture of what is most important to our clients.

Our overall marketing communication plans, as well as the plan for each underlying country and channel, are overseen by the heads of each segment marketing team at T. Rowe Price and help to improve awareness of the services we provide and our product range. We routinely seek feedback from our clients across all countries and channels in which we operate to understand our clients' needs. Key takeaways from our client feedback surveys will inform how we may enhance our delivery of information so that the most relevant content reaches our clients when they need it most. We will continue to seek feedback from our clients and implement improvements accordingly.

Client education
Our range of thematic thought leadership pieces published on our website aims to empower our clients through knowledge and understanding and to aid in decision-making. In addition, our podcast series, The Angle from T. Rowe Price, provides curious investors with sharp insights on the forces shaping financial markets. We provided opportunities for client education in 2024, particularly related to the blue economy. We shared information about the blue economy with clients via webinars and published proprietary thought leadership pieces and third-party content to educate clients about investing in the blue economy.

In addition, T. Rowe Price investment representatives attended events across the globe in 2024, where they participated in panel discussions or served as keynote speakers to industry participants to provide education related to the blue economy. A sample of such events includes:

- Investment Industry Association of Canada Blue Bond Event held in Toronto on 26 March 2024
- Phenix Capital Impact Summit Europe held in Amsterdam on 26–27 March 2024
- Institutional Money Kongress 2024 held in Frankfurt on 9–10 April 2024
- EMEA Environmental Finance Sustainable Debt Forum held in London on 16 April 2024
- Environmental Finance Natural Capital Investment Americas held in New York City on 16 May 2024
- Institutional Pension and Investor Summit 2024 held in Vienna on 22–23 May 2024
- European Single Family Office Symposium held in Lausanne on 17–19 June 2024
- Americas Environmental Finance Sustainable Debt Forum held in New York City on 19 September 2024
- T. Rowe Price's inaugural Blue Economy Summit held in New York City on 24 September 2024
- Fiduciary Investors Symposium held in Oxford on 19–21 November 2024

Spotlight: The Angle from T. Rowe Price podcast

We demonstrated a new way to connect with more clients and prospects when we launched our inaugural podcast series, The Angle from T. Rowe Price, in February 2024. The first season of The Angle from T. Rowe Price was hosted by the firm's head of EMEA Distribution and focused on the blue economy, exploring this rapidly evolving area of the global economy and financial markets. The second season, released in May 2024, focused on artificial intelligence (AI) and featured an episode exploring the role that AI plays in sustainable development.

The type of information we provide
We produce fund, market, sector and asset class information for clients. These are published, as appropriate, to our country websites for investment professionals and shared via webinars, emails and social media and in person at client meetings, investment reviews or due diligence meetings. Examples include:

- Regular and timely (monthly and/or quarterly) fund and separate account reports, including fact sheets, portfolio manager commentaries and quarterly webinars across some of our largest portfolios.
- Frequent thematic insights, including ESG thought leadership and global market outlooks. These draw on research and information from across our investment and subject matter experts and span our product range and capabilities. Such insights are particularly important to clients during times of uncertainty.
- Our ESG Investing Annual Report provides firmwide information about key ESG themes, engagement, proxy voting and investment approaches. See the following section on ESG reporting for our products and our firm.
- We publish dedicated impact investing content on our websites, tailored to local markets where funds are registered. Content includes impact annual reports, webinars, videos and thematic insights to articulate our core impact investment principles and the impact that investment decisions have had on the environment or society.

ESG reporting for our products and our firm

The reports we produce help clients understand our approach to sustainability as a firm, as well as how we integrate ESG into our investment process.

Some examples of our ESG and stewardship reporting are featured in the table below.

Firm level		
Corporate Sustainability Report	Sustainability Report—T. Rowe Price Group's annual disclosure on corporate sustainability topics. Incorporates SASB reporting as well as the following stand-alone firm-level reports: – T. Rowe Price Group Task Force on Climate-Related Financial Disclosures (TCFD)-aligned Report, which reflects our current understanding of our risks and opportunities related to climate change – Investor Climate Action Plan, which offers an overview of the critical elements of our climate transition plan	Annual
ESG Investing Annual Report	ESG themes, engagement overview, proxy voting activity, voting trends, analysis and investment approaches. In 2024, our reporting on ESG investing evolved to promote a digital-first experience for clients to enable better navigation of our insights and provide a higher-quality user experience.	Annual
OHA ESG & Sustainability Report	OHA shares its continued emphasis on ESG themes, engagement, investment approaches and corporate sustainability as highlighted through OHA's annual report.	Annual
Proxy Voting Summary–TRPA	Global proxy voting data, voting trends and analysis for T. Rowe Price Associates, Inc.	Annual
Proxy Voting Summary–TRPIM	Global proxy voting data, voting trends and analysis for T. Rowe Price Investment Management, Inc.	Annual
Proxy Voting Case Studies	In 2024, we continued our published series of T. Rowe Price Associates, Inc.'s intentions. Proxy voting is a critical component of our approach to corporate governance; we offer a high degree of transparency related to the votes we cast on behalf of our clients.	Ad hoc
Stewardship Report	A report that demonstrates our alignment to the Financial Reporting Council's 2020 UK Stewardship Code, the EU Shareholders' Rights Directive implementation of our engagement policies and our voting rights and the principles of the Japan Stewardship Code.	Annual
Entity level		
T. Rowe Price International Ltd TCFD Report	Our 2023 entity-level report that is aligned with the TCFD recommendations sets out how we take climate-related matters into account when managing or administering investments on behalf of our clients.	Annual
Strategy, for investment professionals		
Strategy-Level Significant Votes	Aligned to the Pension and Lifetime Savings Vote Reporting Template in the UK.	Ad hoc
Global Impact Equity Report	Our impact annual reports articulate the decisions we have made in the context of our core investment principles. Specifically, they aim to share with clients the impact that those decisions have made on our environment and society.	Annual
Global Impact Credit Report		Annual
US Impact Equity Report		Annual
Fund and separate accounts, for investment professionals[5]		
ESG Report	Outline of fund ESG integration approach and engagement case studies featuring meeting details, objective, discussion points and outcome.	Quarterly
Proxy Voting Summary	Report containing all the portfolio's proxy votes cast in the period. Moved from annual to semiannual reporting in 2022 and in 2023 added an example of significant votes.	Semiannual
Carbon Footprint	Detailed carbon profile of funds (a minimum of 75% of a fund's AUM must have data available). In addition to Scope 1 and 2 emissions, since 2022 we have included Scope 3[6] emissions.	Quarterly
Climate Analytics Report	Climate analytics for funds and mandates implementing various net zero objectives. Introduced in 2024, the report aims to demonstrate the strategy's progress in its net zero commitments.	Quarterly
Impact Quarterly Reviews	Quarterly reviews include impact-related data, including alignment to United Nations Sustainable Development Goals pillars, impact thesis of top holdings and key performance indicators.	Quarterly
Separate Account ESG Reporting	Engagement and other ESG profile information.	Ad hoc
TCFD Client Reports	TCFD client reporting delivered on demand for our separate accounts managed by T. Rowe Price International Ltd.	Ad hoc

Our ESG reporting for our funds are for investment professionals only and are available on our websites or by request; you can also speak with your local relationship manager to find out more.

[5] Excludes OHA.

[6] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Addressing client needs in diverse jurisdictions

As reported previously, ESG-related regulation continues to develop at a rapid pace globally and nationally. Regional directional divergence amongst the US, the European Union and the UK presents challenges for global asset managers. In addition, within the US, variations exist at the state level. Some divergence is inevitable as different jurisdictions finalise local rules.

Over the past several years, many US state legislators enacted laws that prohibit the management of state assets using 'non-pecuniary' or 'nonfinancial' factors or the 'boycotting' of fossil fuel companies, firearm manufacturers and certain other companies. In other US states, legislators enacted laws that require the consideration of ESG factors in the management of state assets, where those factors may be financially material. Some also passed laws that require state holdings to divest from fossil fuel companies or other holdings.

As in prior years, we spent a considerable amount of time in 2024 explaining our investment and proxy voting process to policymakers and clients in both types of jurisdictions. The reality is that, like all global asset managers, T. Rowe Price has to be able to offer investment products and asset management solutions that meet the needs of various types of clients, consistent with their particular investment mandate and compliant with all regulations applicable uniquely to them.

For the vast majority of investment styles and portfolios, we found that there was actually far more convergence than divergence. For example, the thoughtful integration of ESG considerations into the investment management process, like the use of T. Rowe Price's RIIM, can be consistent with both a prohibition on the use of non-pecuniary factors and a mandate to take material ESG considerations into account.

On the other hand, a product or solution like an impact fund may not be equally useful or relevant in all jurisdictions. Exclusion of fossil fuel investments may make a fund attractive for a governmental client in a state that is required to divest from oil and gas holdings. That same exclusion policy, however, may make it inappropriate to authorities in other states.

As policymakers continue to consider legislation or rulemaking along these lines, we will continue to explain our investment process and our approach to proxy voting and corporate engagement. We will advocate for good client outcomes and argue against approaches that make it harder for us to fulfil our fiduciary duties, including those that impair our investment process or impede our exercise of shareholder rights.

Closing reflection

We were pleased to extend our product range in 2024 across regions. We launched the first major wirehouse for our joint co-branded product with OHA, and a new impact credit mandate in 2024. We also expanded the number of products which apply our net zero transition framework.

PRINCIPLE 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues and climate change, to fulfil their responsibilities.

ESG integration

Our ESG Investing Approach (TRPA)

At T. Rowe Price Associates, we believe ESG issues can influence investment risk and return, and therefore we integrate them into our fundamental investment analysis where they are material to the investment case. Fiduciary duty remains the top priority. We view ESG integration as foundational—it is a core investment capability, which we have embedded in our equity and fixed income investment research platform. Additionally, we recognise that many of our clients' goals are not purely financial. As such, we offer select investment products and mandates that seek to invest in ways that align with our clients' values or seek to deliver specific sustainable objectives.

ESG integration takes place on two levels:

- First, our research analysts incorporate ESG factors into security valuations and ratings; and
- Second, portfolio managers balance ESG factor exposure at the portfolio level as appropriate to the mandate of their strategy.

Our dedicated ESG investment research resources[1] help our analysts and portfolio managers identify, analyse and integrate the ESG factors most likely to have a material impact on an investment's performance. They provide investment research on ESG issues at the security level and on thematic topics.

Our ESG investment teams at both TRPA and TRPIM are further supported by an operations team focused on proxy voting and rely on a dedicated ESG technology team to help build out the firm's ESG research and investment tools. Please refer to Principle 2 for more details on our teams.

RIIM is proactively and systematically integrated into the investment process

As of 31 December 2024

1 Identification

Value added through the selection of 200+ material, relevant and forward-looking data inputs

15,000+ companies

Leveraging internal and external datasets

- Sustainalytics
- Bloomberg
- MSCI
- T. Rowe Price databases

Quantitative RIIM Score

2 Analysis

Select quantitative RIIM scores undergo fundamental analysis

Supplemental research

Fundamental ESG analysis by Responsible Investing and Governance teams for securities flagged in RIIM

Fundamental Overlay

Fundamental RIIM Score

3 Integration

ESG factors incorporated into portfolio construction

Appropriate ESG factors

Incorporated by investment analysts and portfolio managers into:

- Investment thesis
- Company ratings
- Price targets
- Position sizing
- Engagement
- Proxy voting decisions

For illustrative purposes only.
Green indicates no/few flags, orange indicates medium flags and red indicates high flags.

[1] TRPA and TRPIM have separate ESG teams and RIIM products. Decisions for TRPA and TRPIM ESG teams are made completely independently, but they use a similar approach, framework and philosophy. The implementation and oversight of RIIM for TRPA and TRPIM differ.

Our ESG investment resources have built tools to help proactively and systematically analyse the ESG factors that could impact our investments. This includes our proprietary Responsible Investing Indicator Model (RIIM), which underpins our ESG integration processes. RIIM provides a uniform standard of due diligence on ESG factors across our investment platform. It also establishes a common language for our analysts, portfolio managers and ESG specialists to discuss how an investment is performing on ESG criteria and to compare securities within the investment universe. RIIM frameworks are tailored across asset classes, covering equities and corporate bonds, sovereign bonds, municipal bonds and securitised bonds.

For equities, corporate bonds, sovereign bonds and securitised bonds, we are able to leverage ESG datasets and feed those directly into our RIIM frameworks. This allows us to generate a quantitative RIIM profile for a wide breadth of issuers.

These quantitative sets of scores are an important starting point in our ESG evaluation process as they help us quickly identify any outliers, both positive and negative. Additionally, they create a baseline of understanding of our investment universe from which we 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 programme.

For municipal issuers, the ESG data universe is still developing. Given that we have not yet found ESG datasets that we believe are fit for purpose 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.

RIIM frameworks across asset classes

1 IDENTIFICATION

Equities and Corporate Bonds: TRPA RIIM creates an ESG profile[2] for companies using third-party ESG datasets, company-reported data and datasets created internally.

Sovereign Bonds: TRPA RIIM creates an ESG profile for sovereign issuers, leveraging datasets created by nongovernmental organisations and third parties as well as datasets created internally.

Securitised Bonds: TRPA RIIM creates an ESG profile for securitised issuers, leveraging third-party datasets and issuer-reported data.

Municipal Bonds: Our TRPA municpal bond analysts create an ESG rating for issuers. To establish RIIM ratings, the analysts conduct research in-house. Environmental and social analysis leverages geospatial research tools.

2 ANALYSIS

A subset of securities undergo an additional fundamental review to fine-tune our RIIM analysis. The process includes incorporating additional information and insights not provided by the quantitative dataset. Securities identified for further review can be chosen for a variety of reasons, such as ownership levels, presence of orange or red flags, stewardship targeting and/or as part of industry reviews.

3 INTEGRATION

Analysts and portfolio managers incorporate ESG factors (as appropriate to their strategy) into:

- Investment theses
- Company ratings
- Credit ratings
- Price targets
- Position sizing
- Engagement
- Proxy voting decisions

[2] The implementation and oversight of RIIM for TRPA and TRPIM differ. TRPIM RIIM covers equities and corporate bonds only. TRPA has RIIM coverage of over 15,000 corporate issuers, approximately 200 sovereign issuers, approximately 1,700 municipal issuers and approximately 1,400 securitised 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. In our proprietary RIIM frameworks, green indicates no/few concerns, orange indicates medium concerns and red indicates high concerns.

Asset class considerations[3]

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

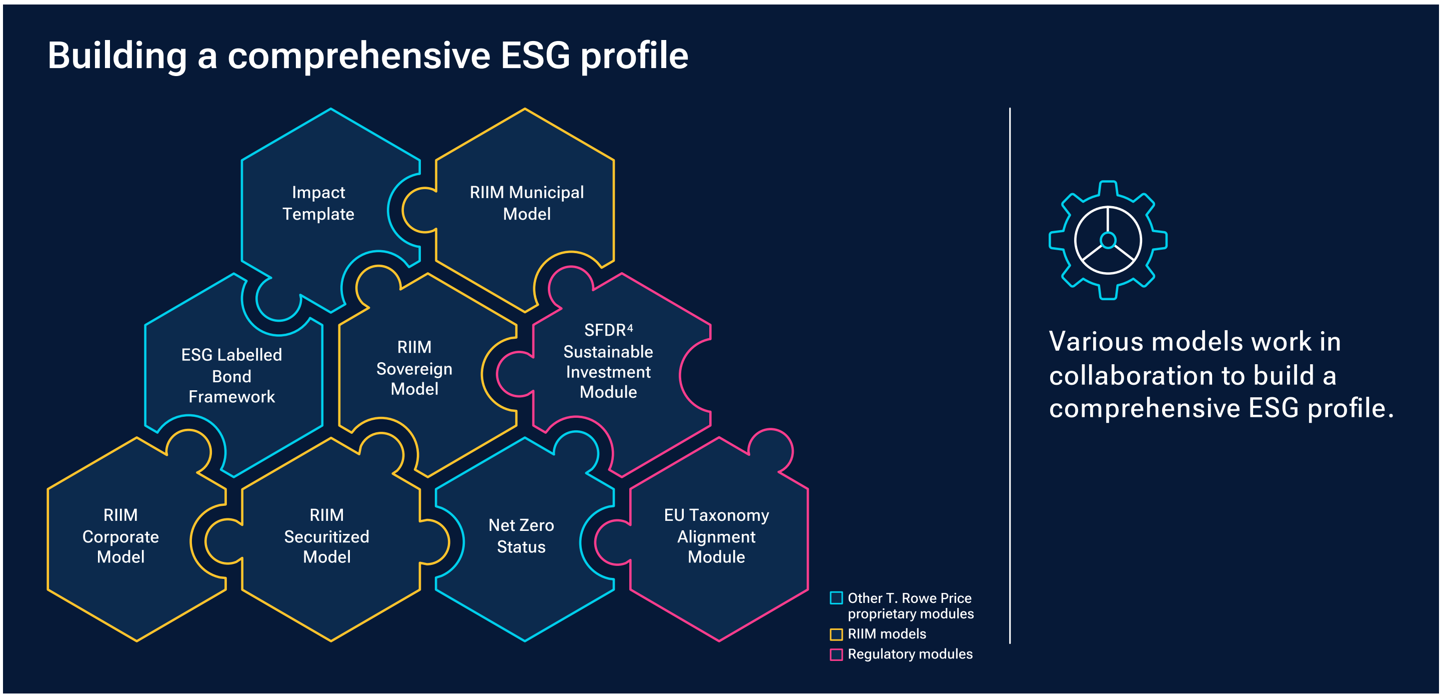
	Environmental	Social	Governance
Equities and Corporate Bonds	Adaptability of sourcing Biodiversity impact Emissions intensity Environmental track record Hazardous chemicals use Impact of carbon taxation Integration of eco-design 'New cities' infrastructure Pesticide safety standards Product end of life Regulatory dynamics Site restoration provisions Stranded asset risk Sustainable product sales Sustainable raw materials Waste recycling (mgmt.) Water intensity	Access to skilled labour Bribery/corruption record Conflict minerals sourcing Customer preference shift Data privacy standards Diversity statistics Fair trade sourcing Health and safety record Lobbying standards Local community relations Marketing standards Product safety record Robotics integration Stakeholder relations Supply chain standards Talent retention Technology shift	Accounting standards Audit practices Anti-takeover provisions Board composition Board expertise Bond covenants Financial transparency Management remuneration Share issuance policies Shareholder rights
Sovereign Bonds	Agricultural capacity Air pollution/emissions Climate change impact Ecosystem quality Energy dependency Energy resources Stranded asset risk Water resources	Crime and safety Education levels Employment levels Food security Human rights Income inequality Institutional quality Poverty Public health	Bond covenants Corruption Institutional quality Institutional strength Rule of law
Securitised Bonds	Energy efficiency Exposure to energy transition risk Exposure to green activities—e.g., renewables, electric vehicles Exposure to physical climate change risk Green building certifications	Contribution to wealth inequality Exposure to affordable housing income inequality Level of homeownership Population dynamics	Bond covenants ESG disclosure Internal controls and loan modification standards Originator ESG standards and track record Originator underwriting practices Regulatory standards Sponsor performance and legal history Timeliness and quality of financial reporting

[3] The implementation and oversight of asset class considerations for the RIIM for TRPA and TRPIM differ. The TRPIM RIIM covers equity and corporate bonds only.

	Environmental	Social	Governance
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 elected officials and key government staff Quality of governance and Board Quality of management Timeliness and quality of financial disclosure
OHA-Specific Additional Asset Class Considerations	Air quality Business model resilience Ecological impacts Energy management GHG emissions Materials sourcing and efficiency Physical impacts of climate change Product design and life-cycle management Supply chain management Waste and hazardous materials management Water and wastewater management	Access and affordability Customer privacy Customer welfare Data security Employee engagement, diversity and inclusion Employee health and safety Human rights and community relations Labour practices Product quality and safety Selling practices and product labelling	Business ethics Competitive behaviour Critical incident risk management Management of the legal and regulatory environment Systemic risk management

Expanding ESG tools across our technology platform

TRPA uses various models that work in collaboration to build a comprehensive ESG profile. This involves applying a consistent and systematic process across asset classes whilst achieving broad, timely coverage of corporate, sovereign, securitised and municipal issuers. We use materiality mapping to fine-tune factors at the subindustry level for corporate issuers, and we have the ability to be flexible by upgrading and augmenting datasets as quality improves.



For illustrative purposes only.

[4] Sustainable Finance Disclosure Regulations (SFDR).

Investment products with ESG mandates (ESG enhanced, net zero transition and impact)

Some clients' investment goals are not purely financial. As such, TRPA offers select investment products that promote ESG characteristics through use of exclusions, alignment to sustainable investments and positive tilts to RIIM scores. Products targeting specific ESG objectives alongside financial return, such as the transition to net zero or positive environmental or societal impact, are also offered. Additionally, we manage customised separate accounts that promote ESG factors selected by the client. Whilst RIIM forms the cornerstone of our ESG 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 values-related or sustainable objectives.

T. Rowe Price has a wide range of ESG investment capabilities

As of 31 December 2024

We partner with clients to offer solutions to meet their investment objectives

ESG integration and stewardship is applied to our investment products.[5]

	Financial Only	ESG Enhanced	Net Zero[6]	Impact[6]
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	Analyses ESG factors for the purpose of maximising investment performance	Incorporates binding social and/or environmental commitments that vary by product type, such as: ▪ Customised exclusions ▪ Greenhouse gas (GHG) reduction targets ▪ Alignment to sustainable investments ▪ Customised benchmarks ▪ Positive ESG tilt, including those using RIIM[7]	Customised 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) ▪ Customisable options	All investments meet T. Rowe Price's impact criteria and are supported by: ▪ Impact thesis ▪ Theory of change ▪ Measurable key performance indicators (KPIs)

ESG integration is embedded in our equity and fixed income investment research platforms.

[5] Where appropriate and where data coverage is sufficient. ESG considerations form part of our overall investment decision-making process alongside other factors to identify investment opportunities and manage investment risk. At T. Rowe Price this is known as ESG integration. As part of our wide range of investment products, we also offer products with specific ESG objectives and/or characteristics. ESG integration is applied across applicable investment strategies comprising 90% of T. Rowe Price Group, Inc. assets under management (AUM) as of 31 December 2024. This includes our active and fundamental strategies, across our equity and fixed income platforms. We currently do not integrate ESG analysis into our passive strategies or our cash and money market funds. Our multi-asset portfolio managers delegate the integration of ESG factors to the portfolio managers of the underlying internally managed equity and fixed income portfolios. The assessment of ESG factors for securities that are not covered by our RIIM frameworks is more qualitative in nature and is dependent on the mandate of the account in which they are held.

[6] Net zero and impact products available through TRPA only. TRPIM does not currently have any net zero or impact products.

[7] RIIM rates companies in a traffic light system, measuring their environmental, social and governance profile and flagging companies with elevated risks.

Note: Not all vehicles are available in all jurisdictions. There is no guarantee that any product will meet its objectives or achieve any particular level of performance or desired environmental and/or social outcomes.

ESG at T. Rowe Price Investment Management, Inc. (TRPIM)

TRPIM has established its own separate environmental, social and governance (ESG) team, using a similar framework and investment philosophy to TRPA, but with investment and proxy voting decisions made completely independently.

Capabilities

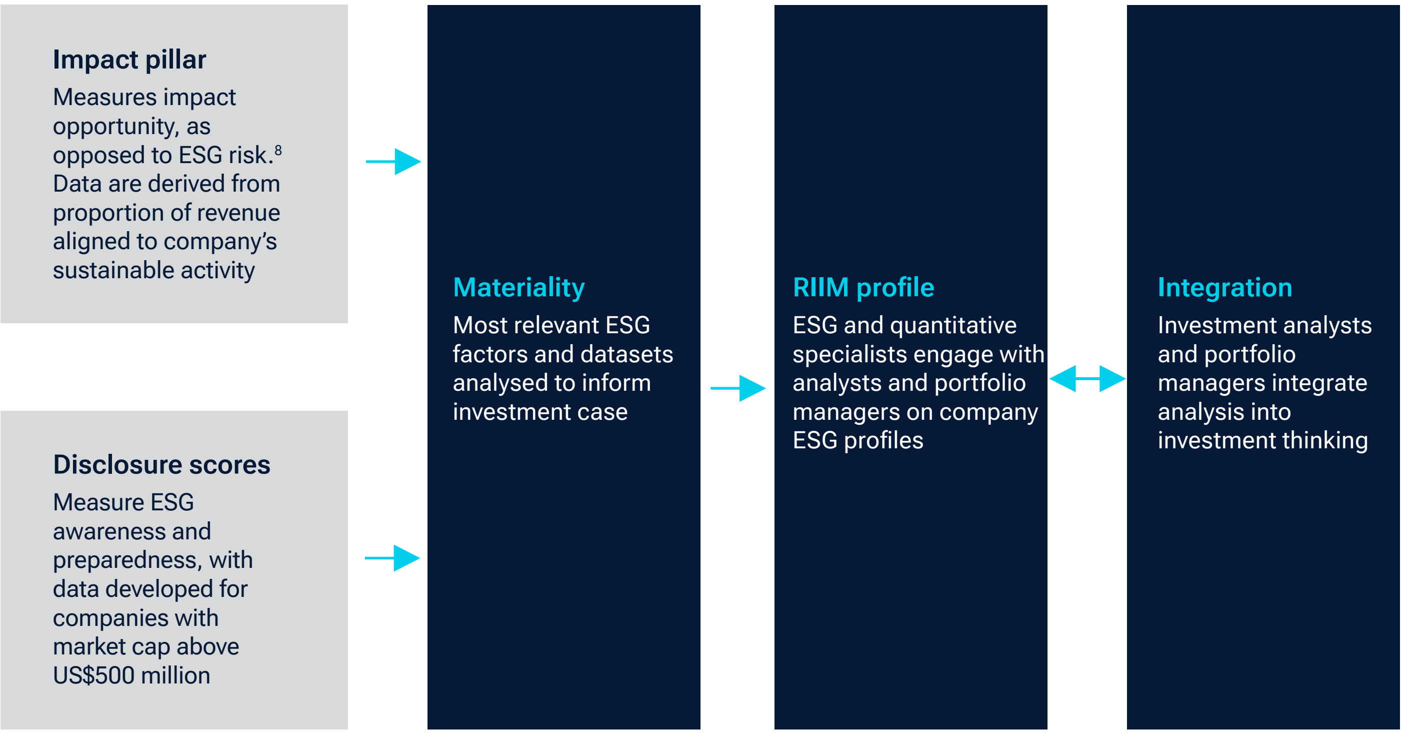
We continued to actively build upon our research capabilities with the introduction of the TRPIM Net Zero Model, which categorises individual holdings according to their net zero journey. We also established a dedicated net zero engagement programme that focuses particularly on companies within sectors that are high emitters of greenhouse gas (GHG) emissions.

Philosophy and process

The ESG team at TRPIM is responsible for proxy voting recommendations, with individual portfolio managers maintaining the ultimate responsibility for voting decisions for companies in their portfolios. The guiding principle of every vote is 'what is in the best long-term interests of the company' as viewed through the lens of shareholders. Our philosophy at TRPIM is to embed ESG considerations into a research-led, active management approach supported by dedicated ESG research resources and proprietary tools and processes. Moreover, we built our TRPIM Responsible Investing Indicator Model (RIIM), an ESG research tool, using a consistent approach and framework that builds an ESG profile for issuers within our predominantly US investment universe. The TRPIM RIIM covers equities and corporate bonds.

TRPIM analysts and portfolio managers integrate ESG factors alongside other financial inputs into their fundamental investment analysis, informing investment theses, company or credit ratings and, where relevant, price targets and position sizes as appropriate to their respective mandates.

TRPIM responsible investing indicator framework



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.

[8] ESG risk is measured elsewhere in the model.

TRPIM RIIM refresh and integration of RepRisk data

Summary	Three years after the launch of the TRPIM RIIM, the TRPIM ESG team deployed a significant change to the model to replace most Sustainalytics controversy or policy evaluation data points with RepRisk data. Heightened sensitivity to environmental, social and governance (ESG)-related incidents better captures associated business risk—including reputational, regulatory, legal and operational risks—to help compare companies' ESG profiles. Backtesting the refreshed version of RIIM resulted in improved association with financial results, highlighting the importance of the update. The result is a slightly higher skew to orange and red ratings to reflect a more timely, objective and comprehensive scope of negative ESG-related events.
Introduction to RepRisk	RepRisk is an ESG data provider that uses artificial intelligence (AI) to screen global news sources for ESG-related controversies. RepRisk tags relevant companies and topics and provides a score for each event presented. It uses a 1–3 scale of severity using a rules-based methodology that considers the consequences, extent of impact and type (i.e., accident versus systematic negligence) of the risk incident. **There are three main advantages to using RepRisk as a key data source in RIIM:** 1. **Objectivity:** Replacing Sustainalytics controversy data with RepRisk incident data reduces the reliance of the model on third-party subjective analysis. RepRisk uses AI to screen thousands of news sources daily for mentions of companies (both public and private) in any environmental, social or governance-related context. 2. **Timeliness:** RepRisk screens news sources on a daily basis and provides monthly updates to RIIM, compared with an annual review of companies conducted by Sustainalytics. 3. **Scope:** RIIM ingests RepRisk ESG risk incident data at a detailed level, with 99 topic tags covered. RepRisk's automated methodology also enables broader company coverage, with over 200,000 entities covered globally. As part of the process, we backtested the model and discovered that our objective had been met as there was improved alpha across all three pillars of the model as a result of our changes.
Analysis and Results	A primary goal in refreshing RIIM was to improve the efficacy of the model as an alpha generator in the investment process. The positive results of backtesting the updated model highlighted the added value of RepRisk as a key data source. Integrating RepRisk data improved the alpha generation for both the environmental and social pillars, from longing the best scorers and shorting the worst, respectively, versus S&P 500 Index returns.[9] The social pillar is now the strongest alpha generator and has more efficacy in avoiding losers in the bottom decile. The environment pillar is the next strongest and excels at distinguishing winners in the top decile. Minimal changes were made to the governance pillar, which already predominately uses Bloomberg data and historically has had lower association with financial performance because of proxy-related flooring that gives companies a minimum score if they have structures in place that result in TRPIM systematically withholding support for directors. Stripping out the proxy-related floorings in the governance pillar results in positive alpha generation and demonstrates efficacy in identifying losers in the bottom decile. With the refreshed RIIM, a backtest analysis was conducted to observe if integrating RepRisk would improve the model's alpha generation capability. The backtest analysis was compared with both TRPIM Quant's initial review and results since implementing proxy-related flags to RIIM's governance pillar last year. Based on positive backtest results, particularly on the environment and social pillars, the RepRisk version of RIIM was launched.

[9] S&P 500 was used for the backtest over the typical TRPIM benchmark, the Russell 3000 Index, due to insufficient historical data availability for the latter.

OHA policy: stewardship, investment and ESG integration

OHA focuses on the likely financially material ESG factors that underpin a company's creditworthiness, utilising consistent resources to inform determination and analysis of these factors.[10]

The investment team utilises an OHA-designed methodology, which meaningfully contributed to the ESG Integrated Disclosure Project, an initiative backed by leading trade associations and nongovernmental organisations to promote transparency and accountability in private and broadly syndicated credit markets. This methodology utilises the Sustainability Accounting Standards Board (SASB) standards, the technical basis for the International Sustainability Standards Board's industry-specific disclosure standards.[11]

SASB standards identify ESG factors reasonably likely to have a significant effect on the financial conditions, operating performance or market valuation of companies and industries. OHA's methodology applies a credit lens to the SASB standards, and the investment team utilises this framework when underwriting financially material ESG factors for each company in which it invests. Core determinants of our factor selection are where ESG factors manifest within the income statement and risk profile and their relevance to credit quality and the potential magnitude of impact. Additional determinants of credit relevance within the SASB standards involve a relative comparison between material factors and associated financial implications as well as climate risk implications informed by the Task Force on Climate-Related Financial Disclosures (TCFD). The intersection between financial and impact materiality, where investments promote environmental and social characteristics, will serve as a valuable informant to OHA's post-investment engagement strategy.

Analysts determine the appropriate underlying ESG factors on a company-by-company basis at time of diligence, as guided by the process above.[10] Analysts consider evidence of proactive practices to mitigate risks or capture opportunity in line with each material factor. They may also consider relative exposure to that factor as compared with industry peers. Analysts may also consider broader reputational risks and incidents for each company when assigning overall scores. In addition, given the relative lack of access to quantitative KPIs in the markets in which OHA invests, we rely on a mix of both quantitative and qualitative data and weigh each, as well as their interconnection, on a company-by-company basis. These factors are used as inputs when assessing overall company environmental, social and governance scores. Ratings are based on a five-point scale to help the research analysts quantify the materiality of ESG factors for each company.

How service providers support the integration of material ESG issues into our stewardship and investment activities

When selecting data vendors, our prime consideration is the data points they are capturing and the coverage universe. We also consider the quality of their research process, which may include the expertise of their research team and practical considerations such as how frequently the data will be updated. In addition, we consider the quality of the data collected, which includes such factors as the frequency and timeliness of data collection activities and the capabilities of the third-party supplier (e.g., size and sophistication of the in-house research team).

Each data provider is appointed with the expectation that it will undertake a specific role, such as providing portfolio-level carbon footprint data. We consider their responsiveness to our questions and requests when deciding whether to allocate future business to the third party.

Where we have identified data quality issues with any of our key ESG data vendors, we address these as soon as possible directly with the vendor relationship teams and request a remediation plan be implemented in a timely manner. Where we have access directly to more accurate data, we supplement our models with the correct data in the interim until the data feed is fixed. We discuss our third-party data providers in more detail in Principle 8.

Systemic considerations

Whilst company-specific, fundamental investment research is at the heart of our investment process, our analysts and portfolio managers also consider how top-down, systemic risks could impact their assessment of an investment opportunity. Our ESG investment resources frequently publish thematic research, which aids our investment professionals in their analysis of top-down, systemic risks. One systemic consideration which has been an area of focus is climate change. We have participated in an industry initiative to develop a consistent framework for measuring an investment portfolio's net zero status. This new net zero status framework allows our clients to have a forward-looking understanding of their investment portfolios' GHG trajectory, which can be consistently applied across various asset managers.

Historically, asset owners seeking to set climate objectives on their investment portfolios typically needed to rely on exclusions and or GHG reduction targets (both of which are backward-looking measures). The advent of net zero status has meant those that wish to apply climate targets can do so with a forward-looking metric. This creates a tool for asset owners to direct their investments towards transitioning the broader economy, as opposed to only redirecting assets into 'green' activities.

[10] Certain issuers are excluded from this process.

[11] OHA applied a credit lens to the SASB standards and created this framework for the investment team to begin utilising in September 2022. Certain investments are excluded from this process.

Case study: Net zero analysis (TRPA)

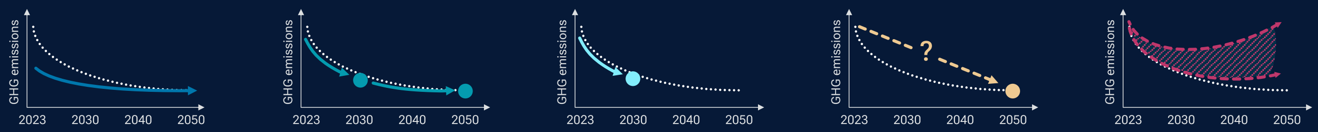
We have developed a net zero transition analysis framework that assigns to each security evaluated a net zero status based on the Paris Aligned Investor Initiative Net Zero Investment framework.

In assessing a company's net zero status, we view best practice as adopting a science-based net zero target, aligned to a 1.5°C pathway that covers Scope 1–2 and material Scope 3[12] emissions. A science-based target is one that ensures all material GHG emissions are addressed and that the issuer is not simply relying on carbon offsets (balancing actual emissions by investing in projects that reduce or store carbon elsewhere) when emissions should, in fact, be mitigated.

Our net zero analysis goes beyond simply identifying whether a company has a net zero target in place; it also includes an assessment of a company's short- and medium-term greenhouse gas reduction targets and a view on the credibility of its emissions trajectory, amongst other factors.

Proprietary assessment of issuers' net zero alignment

Each security is assigned a net zero status based on the Paris Aligned Investment initiative (PAII) Net Zero Investment Framework*



Achieving
- Current GHG emissions are close to or have already achieved net zero
- Capital allocation plan supports achievement of net zero
- Adequate disclosure of GHG emissions

Aligned
- Net zero target that meets regional/sectoral 1.5°C pathway
- Short- and medium-term targets aligned to regional/sectoral 1.5°C pathway
- Adequate GHG emissions disclosure
- Credible decarbonisation plan supported by adequate capital allocation
- GHG emissions performance should already be in line with regional/sectoral 1.5°C pathway

Aligning
- Short- and medium-term targets aligned to regional/sectoral 1.5°C pathway
- Adequate GHG emissions disclosure
- Credible decarbonization plan supported by adequate capital allocation

Committed
- Net zero target that meets regional/sectoral 1.5°C pathway is in place

Not Aligned
- No net zero target
- Net zero target does not meet 1.5°C pathway

For illustrative purposes only.
The dotted white line represents emission reductions aligned with a 1.5°C pathway.
* Source: Institutional Investors Group on Climate Change (IIGCC).

Climate-related risks and opportunities: Supporting different client mandates

The majority of our assets under management have a sole mandate to deliver financial performance—for these strategies, our portfolio managers will consider an underlying holding's net zero status as one of many inputs that could influence the investment thesis. As we view climate change as a systemic risk, assessing climate-related risks and opportunities is a consideration that can impact our equity and credit ratings, target prices, position sizes or decision to buy or sell a security. In some cases, our portfolio managers may decide to avoid a security with higher climate-related risks, whilst in other cases they may be willing to take on more risk in this area.

Willingness to hold a security with climate-related risk can be driven by a number of factors—for example, a portfolio manager may be able to mitigate the risk at the portfolio level or a long-dated risk may be accounted for in the valuation of the security.

A small but growing number of clients have elected to apply various net zero or GHG reduction targets to their investment portfolios. These clients have directed a dual mandate to deliver on climate-related outcomes as well as financial performance.

[12] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Assessment of environmental, social and governance factors[13]

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 ESG 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.

We focus on the governance factors that we consider to be most relevant given the issuer's sector, region and asset class. 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. Whilst 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 Board, 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 ESG 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.

[13] The assessment of environmental and social factors for the RIIM for TRPA and TRPIM differs.

Case study: Removal of company from T. Rowe Price significant governance concerns list (TRPA)

Vector Group	
Focus	Governance
Asset Class	Equity
Country	US
Background	Vector Group is a consumer staples company that owns tobacco, real estate and public equity assets. We added the conglomerate to the TRPA significant governance concerns list in 2022 due to concerns over its cash-heavy and subjective remuneration framework and its failure to respond to repeated vote failures and shareholder feedback.
Monitoring and Analysis	As of the 2024 proxy filed in the third quarter, we no longer classify Vector Group as an extreme outlier on pay for several reasons: – First, the company sought investor feedback on compensation for the first time in the 2023 voting cycle. That feedback resulted in some meaningful changes, including reduced golden parachute benefits and improved alignment with performance. – Notably, following the separation of the business, the Board's Compensation Committee undertook a review of Vector Group's pay practices and determined that a significant cut in salary, bonus and long-term incentive was appropriate for the chief executive officer (CEO), given that he is now managing a much smaller and less complex enterprise. – Following the separation of the company's real estate and tobacco businesses, the executive chairman has been paid at a similar rate to the Board's regular outside directors. The third executive on the leadership team left as part of the separation of the business, resulting in only one executive being paid at the CEO level. TRPA does not have a meaningful holding in Vector Group, but we voted our indexed shares FOR the 'say on pay' vote in the third quarter of 2024 for the first time in 13 years. At the 2023 AGM, 94% of investors supported management on the say-on-pay vote, which was by far the company's highest support ever. Based on our most recent review, we decided that Vector Group can no longer be seen as a Good Governance Fail based on concerns over being an extreme outlier on Board/management conduct and remuneration.
Outcome	We therefore decided that it was appropriate to remove Vector Group from the TRPA significant governance concerns list.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Thematic research case studies

Our research considers variations in performance within sectors and regions. Our analysis of responsible artificial intelligence (AI) conducted in 2024 involved comparing international AI policies, reviewing company risk exposure and examining ideal disclosure.

Our analysis of UK water companies focused on the environmental performance of the UK water industry against a backdrop of criticism in the national press. We also include a case study highlighting our analysis of platinum group metals (PGM) miners in South Africa and an assessment of the progress made amongst casino operators in Macau in managing their risks related to responsible gambling and anti-money laundering.

Responsible AI analysis (TRPA)

Focus	Social, Governance
Asset Class	Equity
Country	Global
Background	In 2024, our Responsible Investing team worked on a piece of research to provide analysts and portfolio managers with an overview of responsible and ethical artificial intelligence (AI) regulation. The aim was not only to look at different international policies on the horizon, but also to discuss the limitations of regulation from a technical perspective, whilst highlighting the risk exposure and ideal disclosures for companies depending on how they use AI.
Analysis	As part of our analysis, we took a closer look at international policies governing AI, finding that most markets take a risk-based approach. A transparency imbalance, coupled with the complex and high risks of AI systems on society, has resulted in a hurried patchwork of regulations where policies have very little overlap and/or differ in their philosophical approach. Despite coordinated efforts to appropriately govern AI, we found that current global policies could hinder interoperability, which could make the deployment of responsible AI systems across borders more challenging. Out of the different regions' regulatory approaches, we found the European Union (EU) approach the most binding with its AI Act. We observed that Canada is closely following in the EU's footsteps but has yet to publish an AI and Data Act (AIDA). Decentralised approaches in the US, the UK and China are much more focused on innovation and focusing on high-risk concerns rather than hypothetical or low risks associated with AI. We anticipate there will be a greater application of existing sectoral legislation in the US rather than the development of new AI-specific legislation at the federal level. Elsewhere, the UK has prioritised strong governance over preemptive regulation, whilst China's approach to AI ethics is waning—with no unified, authoritative definition of what constitutes an 'AI system' that would be subject to regulation. We examined how applications of AI tools require different ethical considerations. For companies developing AI algorithms called large language models (LLMs), incorporating ethical frameworks into the development process involves actively seeking to understand and mitigate biases within the datasets used to train LLMs, ensuring the models do not perpetuate or exacerbate societal inequalities. Transparency about the data sources, training methodologies and limitations of the models would be ideal, fostering trust amongst users and stakeholders. However, significant technical hurdles remain. Our analysis also highlighted how companies prioritise privacy and security, implementing rigorous data handling practices to protect sensitive information and ensure compliance with global data protection regulations. Engaging with diverse stakeholders—including ethicists, users and impacted communities—throughout the development process can provide valuable insights and identify potential ethical pitfalls before they arise.
Outcome	From an investment perspective, we want to see companies taking a risk-based approach to AI, with effective governance in place to mitigate and manage controversy where needed. In the meantime, we need companies to acknowledge that transparency around explainability is a priority and a technical hurdle that they are seeking to overcome.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Analysing the environmental performance of the UK water industry (TRPA)

Focus	Environmental
Asset Class	Equity and Credit
Country	UK
Background	Our Responsible Investing team decided to analyse the environmental performance of the UK water industry, given an apparent increase in the frequency of sewage spills and mismanagement of wastewater across the UK water network. Whilst sewage spills at UK water companies have been widely covered by local press, our aim was to carry out an objective analysis of their environmental performance. The UK water regulator (Ofwat) and the Environment Agency are investigating the practices of the water companies in relation to their wastewater management practices. The Office for Environmental Protection has also launched an investigation, and there has been a class action lawsuit filed in UK courts against the water companies on behalf of customers claiming that the companies have been intentionally underreporting the frequency of sewage discharges. The financial difficulties and ultimate default at Thames Water (the UK's largest water utility, serving 16 million customers) as well as its eventual multi-notch downgrade from 'investment grade' to deep into 'high yield' credit rating territory have been driven in part by a desperate need to invest in its aging and poorly performing water and wastewater infrastructure. For the avoidance of doubt, our analysis and conclusions, which we expand on below, predated the Thames Water default and credit rating downgrades. Post our analytical work, the issuer has now been placed by Ofwat into 'special measures'.
Analysis	We carried out an in-depth analysis of UK water companies' environmental performance. Over the past decade, although the overall number of pollution incidents across the UK water and sewage network have decreased, we noted that there have not been sustained improvements over the past few years and the trend in pollution incident numbers is broadly flat since 2016. Not unexpectedly, overall environmental performance of the sector deteriorated in 2023. Our analysis also showed that there is a wide range in environmental performance across the UK water issuers. For higher performers (including Severn Trent and United Utilities), the potential negative impact that they are having on the environment is reduced, as is arguably the reputational risk and likelihood of fines and/or performance penalties. However, to be clear, there is still significant reputational risk for the whole sector, and our analysis highlighted the strong imperative for increased investment across the entirety of the UK's water networks.
Outcome	Following our in-depth analysis of environmental data in the industry, it is clear that there is a wide range in performance across the industry, and although there is widespread criticism of the entire industry, there should be differentiated ESG scoring across the peer group. On the back of this analysis, Anglian Water, Southern Water, South West Water, Thames Water, Wessex Water and Yorkshire Water fail our Do No Significant Harm (DNSH) test given the material negative impacts that their wastewater management practices and sewage discharges are having on ecosystem health, water quality and biodiversity in the UK. We found that their performance across a range of environmental metrics was weak and deteriorating. We also downgraded five of the issuers (Anglian Water, Southern Water, Thames Water, Wessex Water and Yorkshire Water) to an 'orange' rating in RIIM, in advance of the subsequent default of Thames Water in April 2024. Three of the nine issuers that we assessed (Severn Trent, United Utilities, Northumbrian Water) appeared to perform better on environmental metrics and therefore passed our DNSH test. However, we will continue to monitor performance closely and still see considerable reputational risk for those issuers. This analysis, combined with fundamental credit analysis, which predated the Thames Water default and credit rating downgrades, we believe was a major factor in our credit team's decision to be materially underweight UK water and to only have exposure to those issuers (United Utilities, Severn Trent) which have the best environmental track record. Similarly, our active equity funds have no exposure to UK water stocks.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Health and safety analysis of South African platinum group metals (PGM) mining industry (TRPA)

Focus	Social, Environmental
Asset Class	Equity
Country	South Africa
Background	Employee health and safety is perhaps the most material environmental, social and governance risk factor South African platinum group metals (PGM) miners face, and significant safety incidents have unfortunately been relatively frequent in the past few years. Poor safety performance increases the risk of operational stoppages, fines and litigation, in addition to worker strikes, inability to attract or retain staff and, in very extreme cases, potentially even loss of social license to operate.
Analysis	Our analysis found that overall safety performance has been improving for the last decade across South African PGM mining companies, but there is still a wide spread in performance between the companies. Nevertheless, over the past decade we have observed a gradual improvement in safety performance across different PGM companies. This is likely owing to a combination of strengthened safety programmes, greater management focus on the issue and increased mechanisation and automation. The data where we see the starkest difference are the metrics around fatalities. Whilst Amplats, for example, has only recorded one fatality in the last four years, there have been eight at Northam and 20 at Impala. Not yet captured in these data are the fatalities recorded at Impala's operations in Rustenberg in November 2023 where a mine lift collapsed, leading to 12 deaths and 74 injuries. Clearly, the size of the business can impact the absolute number of fatalities recorded, so looking at fatality rates (fatalities per million hours worked) is more informative—whilst Amplats has reduced its fatality rate considerably, Northam's fatality rate has more than doubled over the past five years. Impala's fatality rate had been improving (albeit marginally), but the recent incident in Rustenberg will lead to a worsening in its final year 2024 reported data. Sibanye's safety performance has consistently been weak too, although its gold operations are where most of the incidents seem to occur rather than at its PGM mines. We found that the main differentiating factor in safety performance appears to be the rate of mechanisation at the mines. The worsening performance on fatality rates for some companies is something that we will monitor closely. However, in terms of health and safety oversight, the mining companies we analysed scored reasonably well, with strong programmes to manage health and safety—both for its employees and contractors. In addition to safety performance at the mines, South African miners have faced major class action lawsuits from workers who contracted silicosis. Silicosis is a lung disease that is caused by inhaling silica dust, which over time can cause serious respiratory symptoms. There has been a wave of silicosis-related litigation in South Africa. Although the silicosis-related litigation and penalties have primarily targeted gold miners rather than PGMs, two PGM companies have been linked to the suits. For the most part, however, the companies have been well provisioned, and the liability appears to be well understood, although there is still a risk of additional litigation and fines.
Outcome	Following this work, we downgraded Impala in RIIM given the significant spike in fatalities in fiscal year 2024.

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Responsible gaming and anti-money laundering in the casino and gaming industry (TRPA)

Focus	Social, Governance
Asset Class	Equity
Country	Macau
Background	In 2024, our responsible investing analysts met with the firm's Macau gaming holdings. This series of engagements were focused on the financially material social and governance themes for this sector, namely responsible gaming and anti-money laundering (AML). Macau's regulators have placed a lot of emphasis on protecting local citizens from developing gambling disorders and on reducing money laundering risk at casinos. As such, there are strict requirements for Know Your Customer (KYC) and responsible gaming practices placed on casino operators in order to maintain their license to operate in the region.
Analysis	The key takeaway was: 1. **Macau's gaming sector has a number of unique features that lower the responsible gaming risk compared with some other jurisdictions:** a. **Visa restrictions for primary customer base**—The Macau casinos shared that 70%–90% of revenues are from mainland Chinese customers—who are subject to visa restrictions by the mainland government. Most mainland customers can only expect visa approval for one visit every two to three months, which limits their exposure to gambling, making it less likely to become problematic. b. **Specific inherent protections/controls for Macau's local population:** – **Efforts to restrict casino use for certain people.** Casino workers (particularly those directly involved in gaming) are particularly high risk for gambling disorders by nature of their high exposure. Casino employees are banned from gaming at their employer sites, and the government is considering further restricting the dates where this group can play in other casinos. Macau's government is the biggest employer—and employees are restricted to casino use only at Chinese New Year. – **High minimum bet size 'prices out' locals.** Many operators in Macau have minimum bet sizes as high as US$65. – **High awareness of problem gambling amongst local residents.** Given the 50-year history of casino operations in Macau, nearly all local residents have experience of problematic behaviour within their family or friend circles—meaning the awareness of this risk is high. c. **Cultural dynamics amongst Macau's customer base appear to align with fewer problematic gambling behaviours. All the casinos shared that alcohol consumption is not common amongst the customers.** d. **Strict top-down regulation on responsible gaming—regulators stipulate the role of casino operators on controlling the gaming floor.**
Outcome	With regard to anti-money laundering, we concluded that the level of AML risk is significantly lower than in the past thanks to a clampdown on junkets and strong regulatory oversight. Given the heavy involvement from regulators on these topics, we were reassured to see that all operators have improved their practices in recent years. This informed our investment research. Our impression was that Macau casinos are held accountable for, and have made significant investments into, anti-money laundering controls. There is a strong focus on KYC by all the casino names.

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Company-specific analysis

Alongside our thematic research, analysing the ESG characteristics of an individual security is a key responsibility for the Responsible Investing team, with input from Governance as appropriate.

Engaging with a commercial aircraft leasing company on sustainable aviation fuel (TRPA)

AerCap	
Focus	Environment
Asset Class	Equity
Country	Netherlands
Background	We engaged with AerCap to discuss various governance aspects (Board composition, remuneration) as its listing makes areas of their governance profile unique. From an environmental perspective, the company stands out as a leader compared with its leasing peers, and we took this opportunity to discuss the progress being made in transforming its fleet to new tech aircraft, as well as sustainable aviation fuels.
Analysis	**Fleet transformation:** The company appears on track to meet its 2024 target for new-tech aircraft to comprise 75% of its fleet, despite well-documented issues at Boeing and supply constraints at Airbus. The company believes the new-tech Boeing 787 and Airbus A320neo have had the 'biggest bang for their buck' in terms of emissions improvements as it is replacing old (rather than current) technology and can be used for direct routes that previously required multiple legs. We encouraged the company to set another forward-looking target post 2024, and AerCap intends to set an aspirational goal as part of its 2024 ESG report. **Lender scrutiny:** Despite a growing focus on banks to scrutinise the climate actions of their counterparties, AerCap acknowledged that the enquiries are declining. The company put this down to its move to unsecured bonds, which lends itself to US rather than European banks. Current questions remain on the fleet transformation and the ability to set sustainability-linked loans. **Sustainable aviation fuel (SAF):** The company began to procure SAF at scale given its stronger balance sheet; however, it faced scrutiny from the airlines as it would increase costs for an asset-scarce resource. AerCap has since switched its focus to providing more education on the topic to industry stakeholders. **Board composition:** AerCap has received negative feedback about the tenure of some of its Board members. The rationale for having certain long-tenured members is that the average length of an aircraft lease is 12 years and the company wants someone on the Board who has memory of when the lease was signed. We noted that we have flexibility around tenure in our voting guidelines. In terms of Board composition, changes are planned for next year that would bring in priority skills and boost female representation. **Remuneration:** This is a Netherlands-incorporated company that is listed in the US. As a foreign private issuer in the US, it is not required to provide an annual advisory say-on-pay vote. As it is not listed on a European regulated market, it is not subject to the European Union's Shareholder Rights Directive II, which would also require a say-on-pay vote to be provided. There was a vote on the remuneration policy in 2021, but there is no regular way to signal concern to the company on its pay approach. The company has a history of making outsized equity grants. The chief executive officer receives an outsized equity grant with a five-year cliff vest in certain years. The rationale for the quantum being higher than peers is because it is not an annual grant and because of the unusually high shareholding requirement. The company does not see why an annual say-on-pay vote would be useful in the off years when no cliff vest is occurring.
Outcome	We continue to see AerCap as a leader amongst its leasing peers on environmental topics and were encouraged by its progress in meeting its 2024 new-tech fleet composition target.

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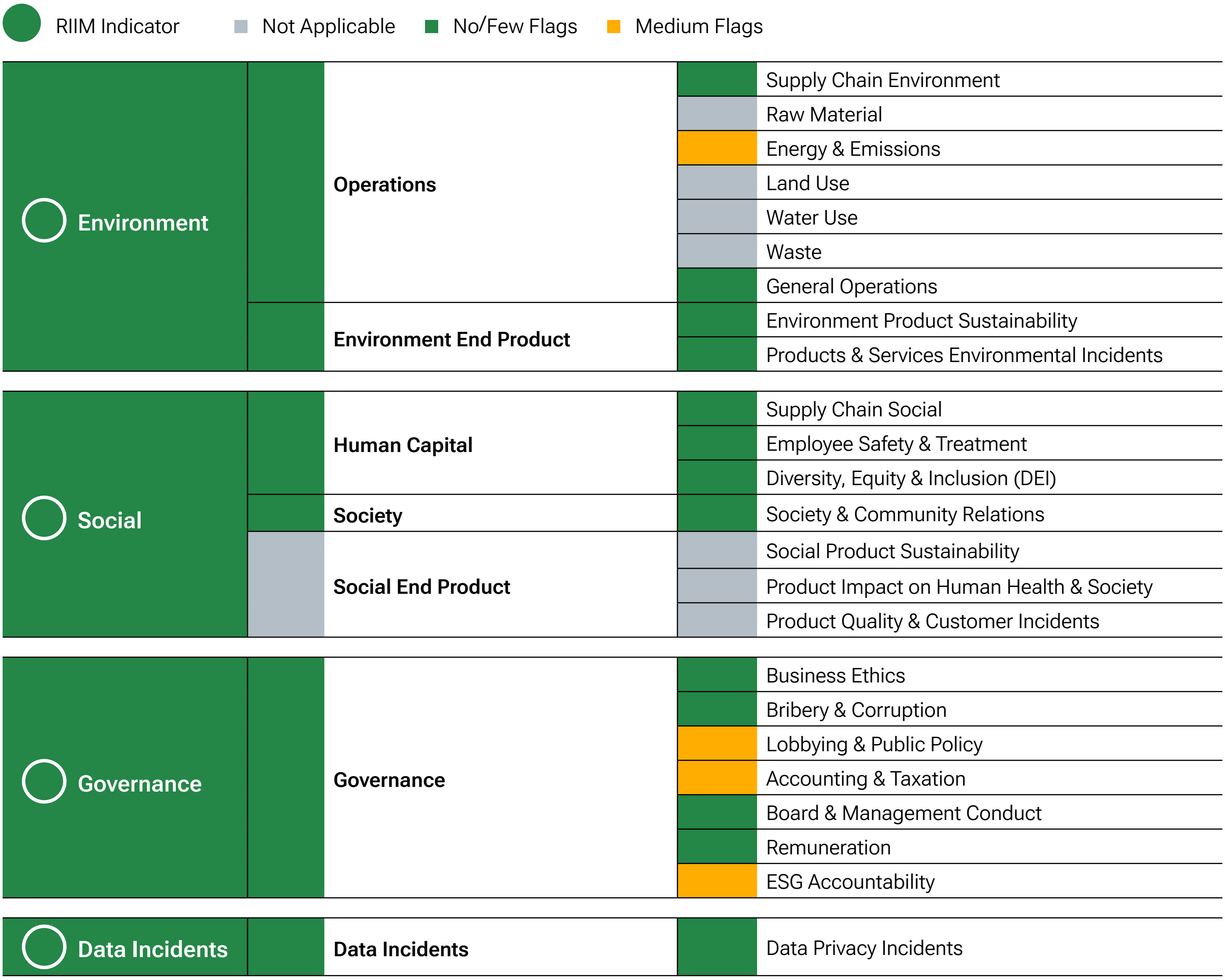
AerCap RIIM Profile



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Assessing a Brazilian oil company on governance risks (TRPA)

Petroleo Brasileiro (Petrobras)	
Focus	Governance
Asset Class	Equity, Fixed Income
Country	Brazil
Background	In 2024, we assessed large Brazilian oil company Petrobras. Governance remains a significant risk at the company, despite investigations into the infamous 'car wash' scandal having closed in 2021. In 2014, it was revealed that executives at Petrobras had been awarding construction contracts at inflated prices in return for bribes over a period of more than 10 years. Part of the proceeds from the inflated contract awards were then funneled into Brazilian political parties to fund campaigns. These bribes, which eventually totaled hundreds of millions of US dollars, were widespread across senior levels of Petrobras (and involved several senior Brazilian politicians) and resulted in the resignation of the chief executive officer and five other executives in 2015. Four executive directors as well as several former executive managers and mid-level managers were arrested. After six years of investigations by Brazilian authorities into the scandal, the case was closed in February 2021. During this time, Petrobras finalised c.US$5 billion of settlements with shareholders in 2019 and another c.US$600 million settlement with the US Department of Justice in 2018. The investigations resulted in around 360 convictions. However, there are still lawsuits and litigation ongoing outside Brazil (e.g., in the US, the UK and Switzerland). The outstanding financial liability is not yet zero, but it is hugely reduced and the outstanding liabilities are less likely to be financially material.
Analysis	Whilst the worst of the scandal may be behind us, underlying issues related to government influence remain. We have retained an orange rating in the governance pillar of RIIM, which partly reflects the severity and recency of the scandal but—more importantly—highlights the outstanding governance risks given the state ownership at Petrobras. As with many state-owned enterprises, there are political appointees in management that are subject to change with every election or at the discretion of the president. Moreover, there is poor disclosure, as well as insulation from the usual market and investor pressures.
Outcome	Following our RIIM assessment of Petrobras, we decided to retain our orange RIIM rating for the company due to continued governance concerns—despite the fact that some time has passed since investigations into the car wash scandal closed. Significant governance risk at Petrobras includes political appointees in management, insulation from the usual market and investor pressures and poor disclosure.

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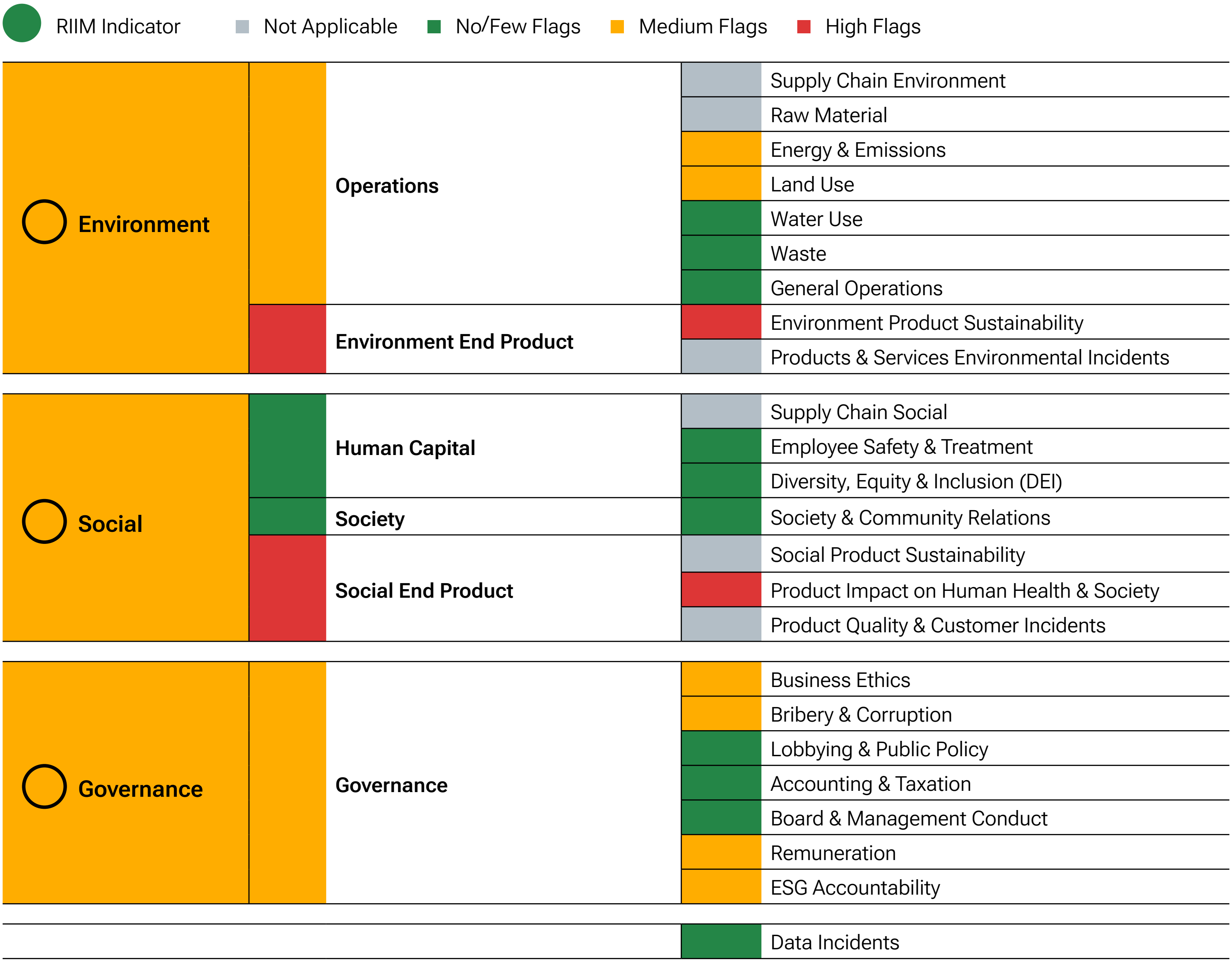
Petrobras RIIM Profile



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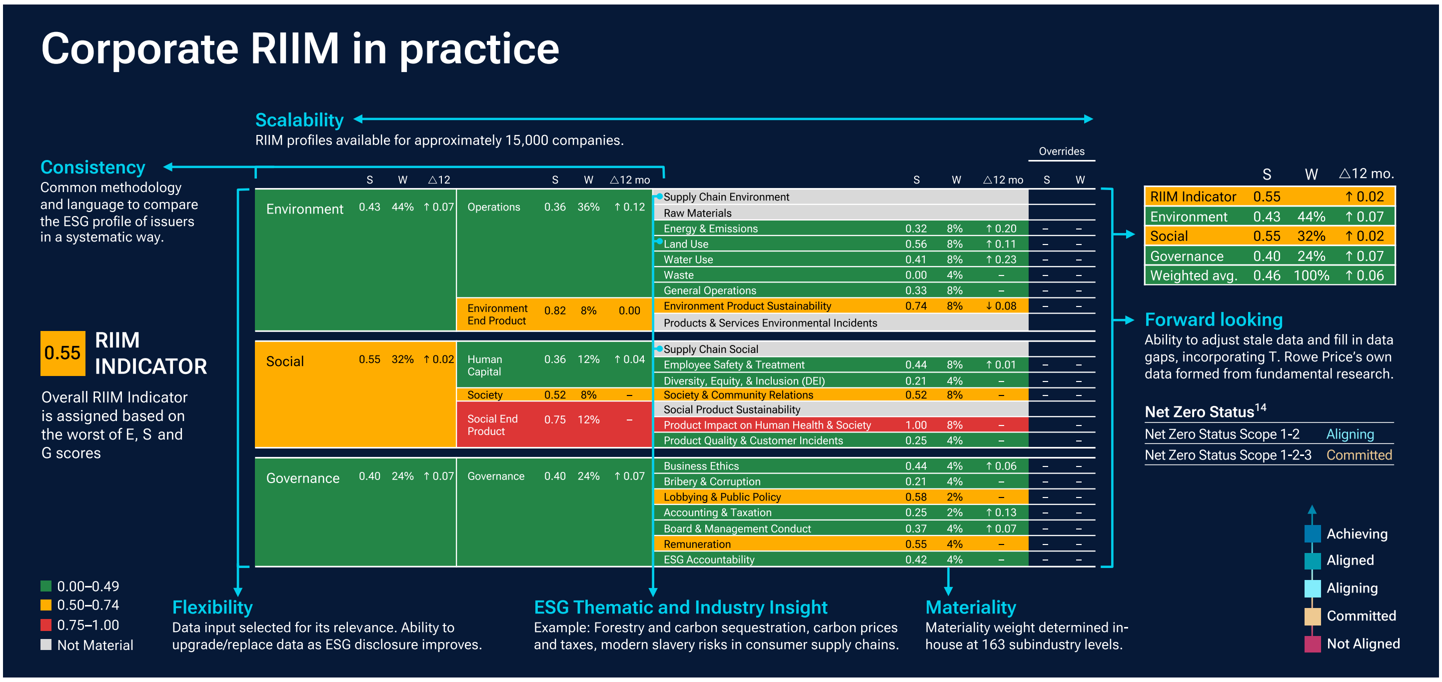
TRPIM case studies

At TRPIM, our philosophy is to embed ESG considerations into a research-led, active management approach, supported by dedicated ESG research resources and proprietary tools and processes. Whilst TRPIM and TRPA share policies for ESG, principal adverse impacts and engagement, the implementation and oversight of the Responsible Investing Indicator Model for TRPA and TRPIM differ, with TRPIM RIIM covering equities and corporate bonds only.

Below is a representative chart that illustrates TRPIM's use of its RIIM.



For illustrative purposes only.
Green indicates no/few flags, orange indicates medium flags and red indicates high flags. S=Score; W=Weight.

[14] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam, or cooling), Scope 3 (all other indirect emissions).

An example of a quantitative model constructed by TRPIM and used for ESG integration purposes is the carbon footprint analysis tool.

ESG integration in action—ESG analysts collaborating with financial analysts (TRPIM)

Focus	Social
Asset Class	Equity
Company Description	Acadia Healthcare Company, Inc., operates a network of behavioural health centres across the US. The company provides psychiatric and chemical dependency services, inpatient psychiatric hospitals, residential treatment centres, outpatient clinics and therapeutic school-based programmes.
Country	US
Background	We have had a long-standing investment in Acadia Healthcare for several years. However, we adjust investment position size depending on the balance of risk and reward. One key factor that we wanted to consider was the issue of social controversies around patient care and the associated lawsuits, fines and potential reputational damage. The TRPIM ESG team engaged with the company directly on this topic. The ESG team worked alongside the fundamental investment analyst to engage with company management and curate a list of historical patient incidents to better inform us on the risks associated with the investment.
Analysis	Over the last few years, there have been numerous alleged patient safety incidents at Acadia Healthcare hospitals. These include allegations around patient sexual assault incidents, physical assault and excessive use of restraints. The ESG team pulled together a list of Acadia Healthcare's incidents and lawsuits related to patient care, split across CEO time frames. We provided the dates of the incidents (where we could find them) rather than using the lawsuit filing date. These incidents were discovered using our data providers, Sustainalytics and RepRisk. When we analysed the list, we did not identify a decrease in reported incidents over time. Even if we had found that to be the case, it would not necessarily be indicative of fewer events occurring, but perhaps more because not enough time would have passed for incidents to be reported or lawsuits filed. One positive note is that in January the company hired its first chief quality officer to oversee patient safety. However, since he is new to the role, the company could not share specific changes. The only specific initiative discussed in our ESG engagement call with the company was around patient safety with the chief quality officer implementing electronic bands for patients to ensure staff were conducting their rounds. Without transparent reporting of the number of serious reportable events (which even big hospitals do not report), it is difficult to know whether Acadia's measures to improve its patient care and safety are really yielding results and how its quality of care and safety compares with competitors. We ask Acadia and other health care providers to report according to SASB, making sure to include their number of serious reportable events. While Acadia Healthcare recently released its first sustainability report, which follows the SASB framework, the company has chosen not to disclose any metrics around patient quality of care. If it will not report serious reportable events, it should provide some other quantitative metrics around patient safety and quality of care that allow us to see progress over time. Further, Acadia includes patient safety and outcomes as a nonfinancial goal for its non-equity incentive awards and states in its Sustainability Report that it tracks patient incidents. However, neither the results of the regulatory surveys used for its awards nor its incident reporting are currently disclosed. A lack of disclosure of these items makes it more difficult to appraise this key risk, raising the risk profile of our investment in the company.
Outcome	Following our collaborative work around this issue, the financial analyst covering the company downgraded the company's rating. A key factor contributing to the analyst downgrading the stock was the tail risk around the need for higher staffing costs to address patient safety and potential payouts from lawsuits. This is a clear case of ESG research, integration and collaboration informing investment decisions.

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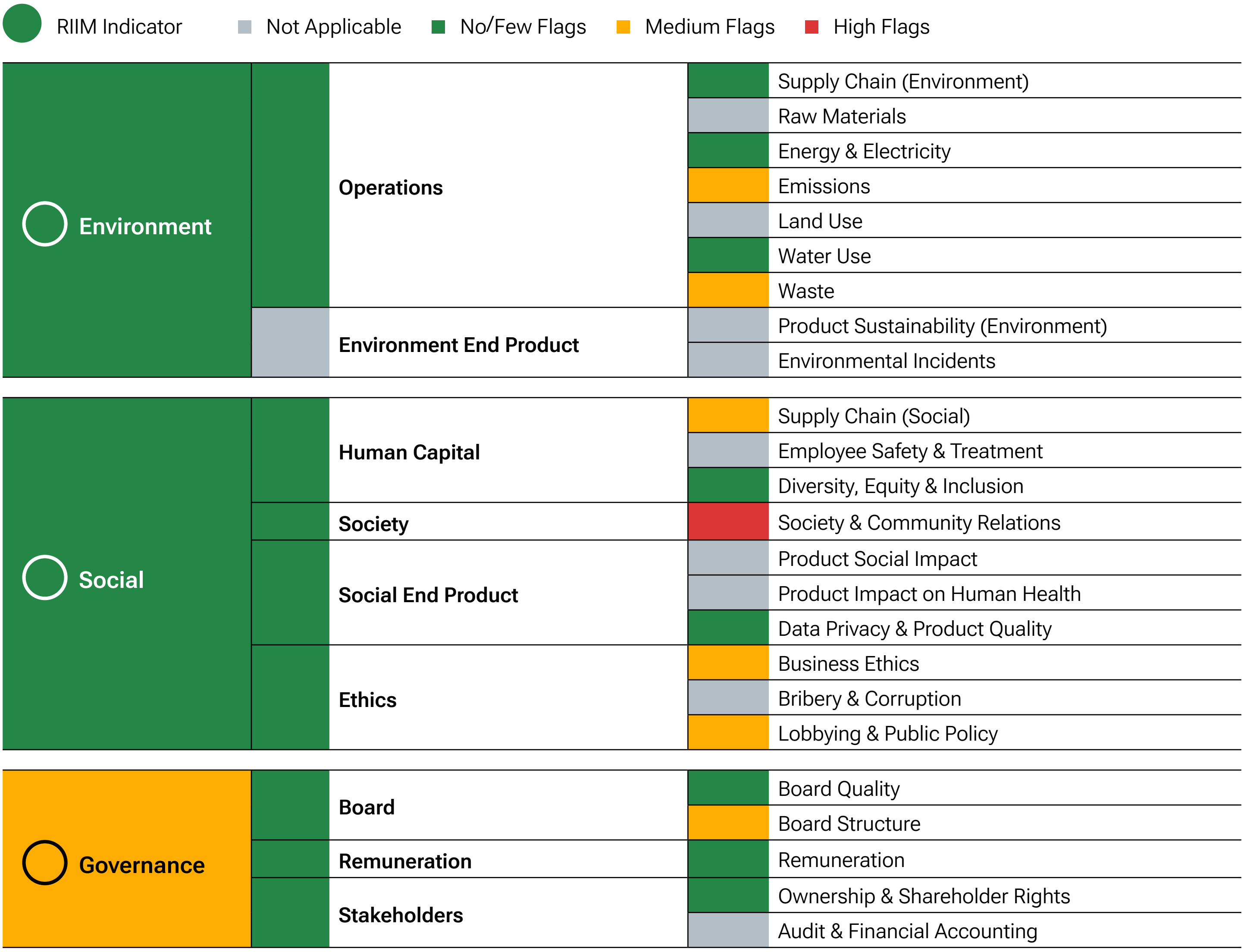
Acadia Healthcare Co., Inc., RIIM Profile



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Good governance at TRPIM

TRPIM assesses the most relevant governance factors for the issuer. TRPIM employs both qualitative and quantitative approaches to the assessment of governance practices, including the good governance quantitative model.

Evaluating the governance profile of a specialty chemical company (TRPIM)

Albemarle Corporation	
Focus	Social, Governance
Asset Class	Equity
Country	US
Company Description	Albemarle Corporation produces specialty chemicals for mobility, energy, connectivity and health solutions. The company offers critical ingredients used in grid storage, automotive, aerospace, conventional energy, electronics, construction, agriculture and food, pharmaceuticals and medical devices. Albemarle serves customers worldwide.
Background	A key tenet of our ESG integration approach is that portfolio managers and financial analysts work alongside dedicated, specialised ESG analysts to ensure that material ESG factors are carefully considered within the stock recommendation and sizing process. A good example of this is when the ESG analyst who supports the Article 8 product was asked by the portfolio manager to assess the governance and related ESG risk profile of Albemarle Corporation, a company that was being considered for purchase. Following flags generated by our TRPIM Responsible Investing Indictor Model (RIIM), we did more due diligence around bribery and corruption. We determined that the company's risk profile was elevated from an ESG perspective and that the company did not meet the Good Governance Test according to the Management Structure and Business Ethics and Integrity aspects of good governance. Whilst our RIIM framework screened Albemarle as green, the bribery and corruption component of the environmental pillar was screened as orange. As a company that exports internationally, business ethics are a key factor. As such, we followed up with a more detailed analysis and engaged with the company.
Analysis	Albemarle originally offered to make the chief risk officer (CRO) available for an in-depth discussion on the company's anti-corruption programme. However, the CRO was let go as part of recently announced layoffs and broader cost-cutting efforts. Instead, we met with Albemarle's general counsel and chief compliance officer. During our engagement, the company provided additional details on the data-driven updates to its compliance programme. This included: – Integrating an AI programme into the supply chain purchasing system to identify possible fraudulent transactions – Analysis of compliance reports to identify trends – Tracking of travel and expense dashboards to monitor for unusual activity – Plans to build out an employee relations platform The company was unable to answer how guidelines have changed regarding which functions take anti-corruption training. It was also unable to provide details on the nature of the corruption incident that occurred in 2018 reported in the company's SASB 2022 index. Moreover, the company pushed back on the notion that the bribery incident was a failing in oversight on the audit committee's part as the events took place outside the US. Albemarle noted the Department of Justice's appreciation of the company's proactiveness and cooperation. Organisationally, the recent departure of the CRO means that ethics and compliance, internal audit and enterprise risk management are managed at the vice president level and over time the company would consider promoting the person in that role to the C-suite level. Albemarle noted that there are 12 people in compliance at their company globally.
Outcome	Given the lack of high-level accountability, instability of compliance responsibilities and limited details provided on the anti-corruption processes, Albemarle will remain on our conduct-based exclusion list for Article 8 funds.

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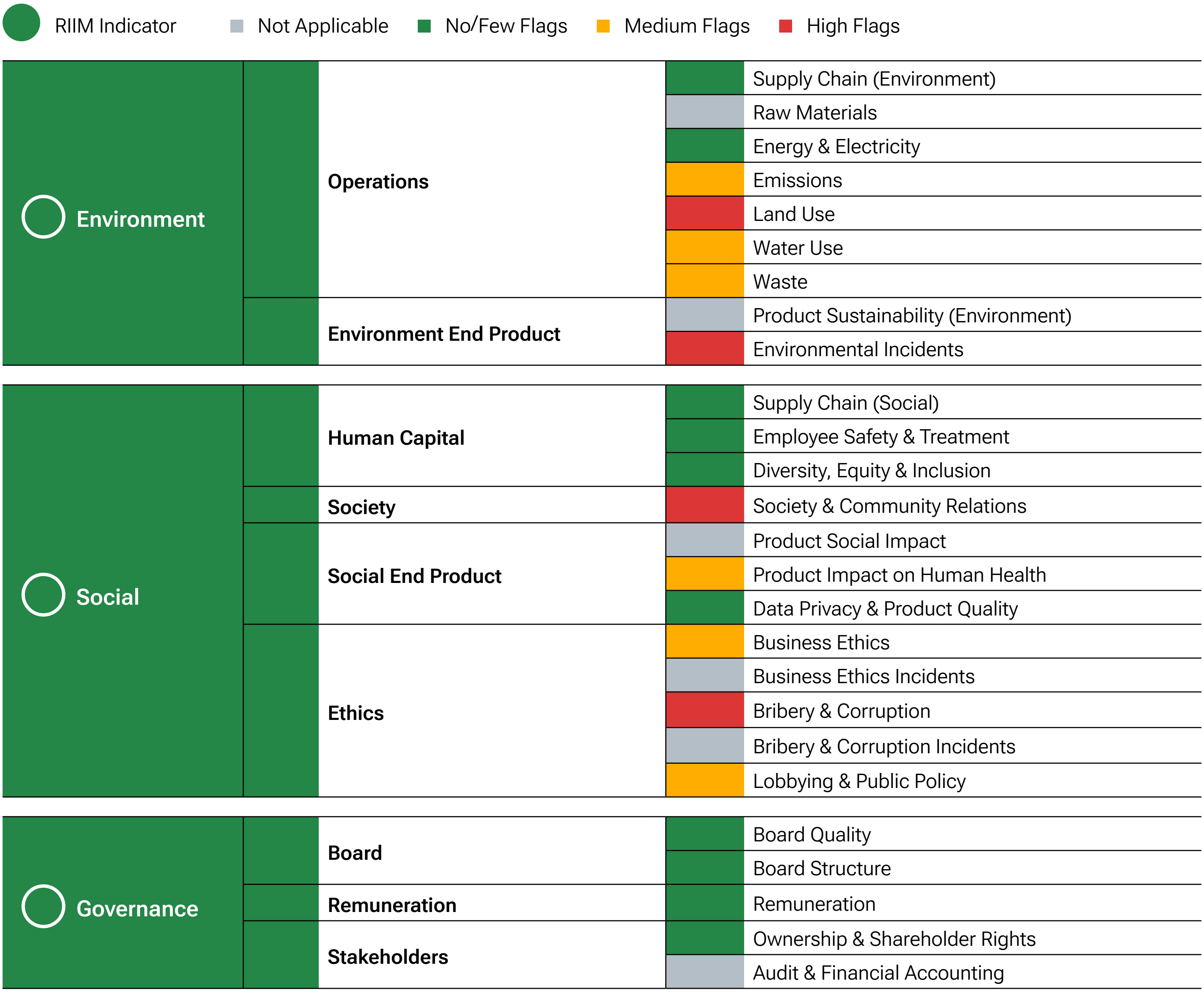
Albemarle Corp RIIM Profile



Shown for illustrative purposes. The specific securities identified and described are for informational purposes only and do not represent a recommendation. The views and RIIM profile for this specific security may have changed since that time.

Consistent across TRPA and TRPIM, our analysts and portfolio managers integrate ESG factors alongside other factors into their investment thesis, company ratings or credit ratings, price targets and position sizes, as appropriate to their mandate.

Developments in 2024

The ESG Investing Committees approved two new investment policies in 2024: the Investment Policy on Biodiversity and the Investment Policy on Human Rights. Each policy provides an overview of the way we integrate the analysis of biodiversity or human rights factors, respectively, into the investment process and describes how these considerations can affect the investments we make on behalf of our clients.

In 2024, we launched our fifth impact strategy. It was developed for EMEA clients looking to generate a positive environmental or social impact whilst achieving a financial return through investment in short-term debt.

Two of our existing Select Investment Series III Societé d'investissement à Capital Variable (SICAV III) funds changed their investment policies to become net zero transition funds. They promote environmental and social characteristics through their commitment to reduce the carbon footprint of their portfolios over the long term, thereby contributing towards the goal of limiting global warming to 1.5°C by 2050.

Closing reflection

Throughout 2024, we continued to evolve our product offering to meet our clients' expectations. As in prior years, both TRPA and TRPIM undertake both company-specific analysis and thematic analysis, which informs the investment case for particular securities and sectors. TRPA and TRPIM also continue to assess companies' governance practices under the good governance test.

PRINCIPLE 8

Signatories monitor and hold service providers to account.

Third-party monitoring

Fundamental research is at the heart of our investment approach, including ESG research. As an active investment manager, we conduct rigorous proprietary analysis at the regional, sector, industry and company levels. The vast majority of our research across all asset classes is conducted in-house, and this approach is reflected in the size of our research teams globally, which cover specific regions and industry sectors.

For the purposes of this disclosure, our comments in this section are limited to the service providers used for our ESG research and proxy voting. It does not include the many providers we use in the conduct of fundamental investment research.

Use of external service and data providers

Although proprietary research is the main driver of our investment decision-making, we supplement our ESG research capabilities with data and services from several external providers. Many of these key data contracts are at the group level, where a vendor is used across advisers.

External service providers complement our in-house research tools and processes, including those relating to ESG and stewardship. The following are amongst the contributions to our ESG and stewardship process.

Fundamental analysis

We use a wide array of external service providers to conduct fundamental research on material ESG topics to support investment analysts and portfolio managers. These providers may be asset class or region specific.

Quantitative analysis

Our quantitative analysis is underpinned by our Responsible Investing Indicator Model, or RIIM (our proprietary ESG rating system, discussed in Principle 7). Corporate RIIM utilises data from external service providers, such as Sustainalytics, which we complement with databases built in-house and our own fundamental research. Sovereign RIIM uses data from many sources, including the World Bank and nongovernmental organisations. Our municipal bond analysis utilises geospatial ESG data.

Screening

Screening includes the use of data to manage the exclusion lists we apply to various funds. Our primary external data provider for exclusion lists is MSCI, which is supplemented with other ESG data providers and our own fundamental research.

TRPA and TRPIM have long-standing relationships with the core third-party data providers listed below.

Sustainalytics	We use data from Sustainalytics as an input to our proprietary Responsible Investing Indicator Model—this includes a range of data points covering environmental, social and governance topics. However, we do not use its overall ESG ratings; we prefer to build our own internal rating, which reflects the ESG factors we consider to be financially material. The specific data requested are set out in a contract schedule.
MSCI	Both TRPA and TRPIM use research from MSCI to manage our exclusion list, which may restrict companies whose business activities involve controversial weapons (cluster munitions, anti-personnel mines, incendiary weapons), nuclear weapons, tobacco production, coal production, assault-style weapons for civilian use and adult entertainment. Global norms screens from MSCI also contribute to our process for determining our conduct-based exclusion list. The specific data requested are set out in a contract schedule. MSCI also provides our climate scenario analysis and implied temperature rise tools. In terms of climate data, whilst new emerging evaluation metrics add investment insights, data availability and quality are an issue.
Institutional Shareholder Services (ISS)	We use proxy voting research from ISS as an input to our own custom research policy. ISS also provides our voting platform and our vote execution service. In addition, we use ISS to provide data which are an input to our ESG research across equity and fixed income. For example, ISS helps us analyse the reasons for significant investor dissent at key meetings. Prior to 2024, we used Proxy Insight for this purpose but switched providers in 2024. We also provide ISS with our own voting policy guidelines, which it implements on our behalf. We have different custom voting policies, covering T. Rowe Price standard, impact and net zero strategies, respectively. These custom voting policies are discussed in more detail in Principle 12, but an example of TRPA providing clear and actionable criteria would be the introduction of our net zero custom voting policy. These are a separate set of proxy voting guidelines administered for T. Rowe Price strategies subject to an explicit net zero investment framework. These portfolios require a separate voting policy because they have two explicit mandates: competitive financial returns and alignment with net zero goals. In order to meet these objectives, portfolios under net zero mandates may vote differently from other T. Rowe Price funds, particularly on director elections, say-on-climate resolutions and shareholder proposals. Our custom voting policy ensures ISS factors in ESG considerations that we consider to be important (see Principle 12).

This is not an exhaustive list of all data providers. Several other service providers provide data which are an input to our ESG research across equity and fixed income. For example, BDTI provides us with Japanese corporate governance data. We use an India-based proxy advisory firm, IIAS, to aid with the review of contentious meetings. For our Chinese investments, we use China-based proxy advisory firm ZD Proxy to provide specialists local knowledge in this market.

As the case study below illustrates, we believe domestic proxy advisory firms bring local insight which complements the international good practice perspective provided by ISS.

Case study: Using multiple proxy research inputs to make well-rounded voting decision (TRPA)

Bethel Automotive Safety Systems

Asset Class	Equity
Company Description	Bethel Automotive Safety Systems is the largest automotive brake supplier in China.
Country	China
Issue	ISS recommended voting FOR item 8 Re-appointment of the Auditor. However, ZD recommended voting AGAINST this item.
Analysis	ZD highlighted that the proposed signing certified public accountant (CPA), Pengju Liu, received a warning letter from the Beijing Stock Exchange in 2023 due to auditing practice issues. During the process of applying for the initial public offering and listing by Wancho Environmental Protection, accounting errors were identified, and the signing CPA, Pengju Liu, failed to fulfil his duties diligently.
Vote Decision	We voted AGAINST item 8 due to concerns regarding the professional competence of the proposed signing CPA, Pengju Liu.

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New data sources at TRPIM: Working with data vendor ISS to develop a proprietary model that indicates a suggested policy vote for Say on Pay

TRPIM's experience of using the ISS benchmark policy for Say On Pay (SOP) reenforced this adviser's objective of developing a more customised Say on Pay Policy Process, one that was more aligned with TRPIM's own principles and practices.

TRPIM's analysis of how it voted historically, versus ISS SOP policy, where ISS was AGAINST Pay, showed that TRPIM voted opposite this policy (VOP) and voted FOR Pay a majority (59%) of the time.

Whilst part of ISS's process is to examine Pay for Performance, or P4P (TRPIM's key principle), TRPIM considers that the guideposts that ISS uses are generally too harsh and regards ISS's application of some practice considerations as too severe. TRPIM wanted its policy to mirror the actual framework on which it votes.

Whilst ISS no longer implements completely custom models, this vendor now provides a service that enables clients to customise certain defined parameters to tailor their Say on Pay recommendations in a quantitative way, whilst also allowing clients to follow ISS on certain purely practice considerations with a vote AGAINST.

TRPIM worked with the ISS Quant team to optimise parameters around the following quantitative factors:

- Relative Degree of Alignment (RDA). This relative measure compares the percentile ranks of a company's chief executive officer (CEO) pay and TSR performance, relative to an ISS-derived comparison group over the prior five-year period.
- Multiple of Median (MOM). This relative measure expresses the average of the prior three years' CEO pay as a multiple of the median of CEO pay of an ISS-derived comparison group, measured in the same way (average pay of the last three years).
- Pay-TSR Alignment (PTA). This absolute measure compares the trends of the CEO's annual pay and the change in the value of an investment in the company over the prior five-year period.

TRPIM's aim was to calibrate the model to reduce the number of votes opposite policy but still have it sensitive enough to identify a magnitude of pay for performance deviation that would trigger TRPIM opposing 'Pay'. In other words, skew policy to the side of flagging and, where warranted, vote opposite to support.

Following an iterative process, TRPIM arrived at guideposts for the model to generate a policy to vote against SOP at up to 5% of the companies that rank the worst on each of the pay measurement categories.

To quality check the model, TRPIM backtested the results: looking at what policy historically would have been if TRPIM had used the P4P model and comparing this with the ISS recommendation as well as with how the adviser actually voted. The calibrated P4P model flagged all cases where TRPIM voted against on quantum of pay, and, per the objective, there was a significant improvement (reduction) in the number of Votes Opposite Policy (by 50%) if the calibrated P4P model had been used historically versus the ISS policy.

TRPIM therefore adopted this custom policy for 2024. TRPIM used it, per all of its policies, as a starting point in the analysis of how to vote. Every vote is considered on its own individual circumstances and merits. As such, TRPIM continued, where the individual circumstances merited, to vote opposite its own indicated policy benchmark, just at a lower rate. The results post proxy season showed that the model achieved the desired aim: TRPIM reduced the votes opposite Say on Pay policy by 38% whilst achieving a similar voting pattern as 2023, voting against pay 6% of the time (versus 7% in 2023).

OHA uses the following key vendors

Persefoni:
Oak Hill Advisors (OHA) uses Persefoni to collect, estimate and analyse its financed emissions. Persefoni provides a software platform for OHA to manage its financed emissions in line with Partnership for Carbon Accounting standards.

RepRisk:
OHA utilises RepRisk as a primary input to monitor for ESG risks and incidents within its investments in line with its formal ESG incident response policy.

Holtara:
During the reporting period, OHA began utilising Holtara to support ESG data collection and benchmark performance of certain investments against relevant industry peer groups during due diligence and monitoring.

How we monitor providers

We monitor third-party data and service providers closely. Service reviews are held regularly to discuss ongoing performance and any operational issues, although the frequency of such reviews will depend on the criticality of the data to our operations. If performance standards and expectations are not met, we communicate our dissatisfaction and request a remediation plan. If the vendor is not able to deliver on this plan within a reasonable time frame, we would ultimately terminate the contract.

In 2024, our Governance team carried out a review of IIAS, ZD, BDTI and ISS voting data and assessed them as being fit for purpose.

The Responsible Investing team has a more continuous, ad hoc approach to reviewing the quality of the data provided by our sustainability data providers. Where an issue is found within RIIM, the Responsible Investing team will manually correct the data by entering an override. They will then raise the issue with the relevant vendor.

Contribution of ISS to our proxy voting needs

We use highly customised proxy voting guidelines, supplemented by the services that ISS adds to our voting process. We apply a two-tier approach to determine and apply global proxy voting policies:

- **Tier 1:** Establishes baseline policy guidelines for the most fundamental issues, irrespective of a company's domicile. An example of a baseline policy issue is the importance of having independent directors on a company's audit committee.
- **Tier 2:** Establishes more targeted policy guidelines, considering specific governance codes and norms in different regions. This tier considers local market practices, provided they do not conflict with the fundamental goal of good corporate governance. Our objective with Tier 2 guidelines is to enhance shareholder value through the effective use of the shareholder franchise, recognising that no single set of policies is appropriate for all markets.

As in previous years, we actively participated in ISS's policy development process.

Oversight of proxy voting advisory services

The TRPA and TRPIM ESG Investing Committees oversee the activities of our proxy research provider, ISS. The ESG Investing Committee conducts various service provider oversight activities throughout the year and reviews ISS's performance and service levels. We also ask ISS to provide voting results for a select sample of votes cast to ensure they were transmitted to the issuer in a timely and accurate manner.

Documentation is reviewed by select members of the ESG Investing Committee and retained by the Global Proxy Operations team. In addition to reviewing documentation, meetings are held periodically with ISS staff and senior management throughout the year, which include discussions on ISS's business plans, its service levels and forward-looking trends in corporate governance.

On a weekly basis, members of our Global Proxy Operations team, based in our Baltimore headquarters, and the lead from our Service Provider Management function, who oversees the ISS relationship, meet with two senior members of the ISS Governance Client Success team, an ISS regional director and our client success manager. The weekly agenda reflects any matters arising and includes a review of operational tasks, such as account openings, client reporting, workflow issues within ISS's Proxy Exchange, our voting platform as well as any upcoming development and releases within ISS's Proxy Exchange.

On a monthly basis, ISS provides reports on volumes of meetings and ballots voted as well as accuracy and timelines of research and recommendations. We monitor against agreed benchmarks.

To date, there have been no issues where ISS has fallen below the benchmarks. However, if required standards are not met, we have a service credits arrangement in place and would seek an explanation and potential remediation from ISS. We also monitor access to the Proxy Exchange platform.

The Global Proxy Operations team polls the Governance team regularly for any policy errors and is copied on correspondence between the Governance team and the ISS Custom Policy team. In the event of a policy application (or any other error), we would receive an incident write-up including root cause and remediation and then track the remediation. Any errors or performance issues would also be reviewed during our annual proxy voting due diligence review.

Case study: Product feedback delivered at our annual ISS due diligence review

In the fourth quarter of 2024, the TRPA and TRPIM Governance and Proxy Operations teams participated in an on-site due diligence visit to the ISS headquarters.

This year, we provided candid feedback to the ISS policy team that the benchmark recommendations on sustainability-related shareholder proposals in the US are not in step with mainstream US investors, pointing to a dip in support that these resolutions are receiving. We also commented on the accuracy rate of ISS's application of our custom policies. We will be exploring ways to incorporate additional policy automation for 2025, given the complexity of managing four different voting policies in-house for multiple clients.

Closing reflection

This year, there were minimal changes to the data sources used by TRPA, TRPIM and OHA. However, there were a number of projects we undertook with our data providers, such as the TRPIM project with ISS to refine their Say on Pay model. We are currently exploring whether greater automation support can be provided by ISS for 2025, given the operational complexities of implementing the four separate custom voting policies (mainstream, i.e., TRPA and TRPIM custom, impact and net zero) discussed in Principle 12.

PRINCIPLE 9

Signatories engage with issuers to maintain or enhance the value of assets.

Company engagement

Our engagement programme is conducted by our investors and our in-house specialists in corporate governance and sustainability. We do not employ any third-party organisations to engage on our behalf.

The year 2022 was the first full calendar year where we systematically tracked the targets set in the ESG engagements across our entire global portfolio. This 2024 report is the first time we have included these target-tracking statistics for both T. Rowe Price Associates, Inc. (TRPA), and T. Rowe Price Investment Management, Inc. (TRPIM). Both TRPA and TRPIM apply the same approach to engaging with companies whether the holding is in an equity or a fixed income portfolio and across all geographies. However, with noncorporate entities, the nature of these engagements means that each instance requires a tailored approach, based on the size of our investment, our relationship with the issuer, the state of the credit (whether in default or not) and other factors.

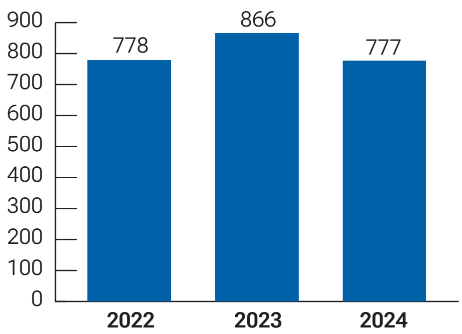
Our engagement approach

TRPA 2024 engagement activity

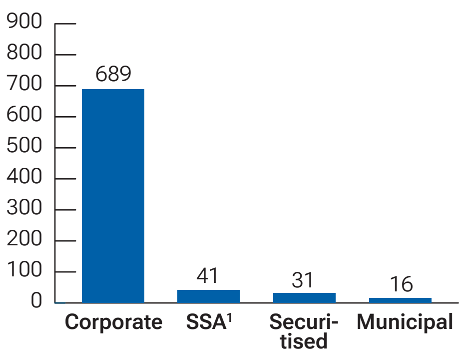
Through the course of 2024, TRPA engaged with companies on 777 separate occasions on ESG topics. The list of companies with which we engaged is included in the appendix. The chart on the right shows the engagements by topic. The breakdown between environmental, social and governance topics is in line with 2023: environmental 37% in 2024 versus 36% in 2023, social 19% in 2024 versus 17% in 2023 and governance 46% in 2024 versus 45% in 2023.

The year 2024 saw a 10% decrease in the number of ESG engagements undertaken by TRPA. This slight decrease in the overall number of ESG engagements from the 2023 level back to the 2022 baseline was unexpected, as our approach to engagement has been consistent across the past three years. However, some variability is normal and reflects the demand for the Responsible Investing and Governance teams to support multiple activities and projects, of which engagement is only one. We do not consider this decrease as predictive of the number of engagements we expect to undertake in 2025, although we do not have a set number of engagements targeted for completion each year.

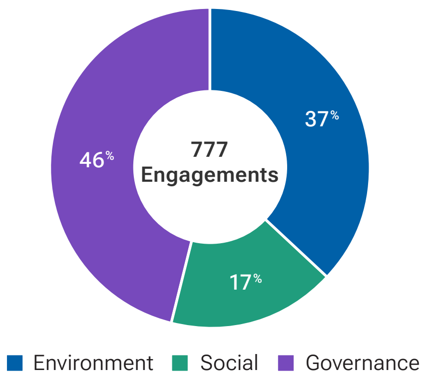
Total number of TRPA engagements



2024 engagements by asset category—TRPA



2024 engagements by topic—TRPA



There were some changes to the engagement topics by category compared with the prior year: Sustainable finance was a new top five topic in the environment category, reflecting an enhanced focus on engaging companies on issuance of sustainable or labelled debt. There were changes to the first and second slots for social topics, as employee safety and treatment overtook disclosure of social data. Product safety rose in prominence from the fifth to the third slot, whilst financial inclusion and affordability and access to medicines/drug pricing were both new top five social topics. In terms of governance topics, the first four topics mirrored those of the prior year, whilst compliance programmes was a new top five topic, taking the fifth slot in place of governance structure/oversight.

[1] Supranationals, sovereigns and agencies.

Top five 2024 engagement topics by category—TRPA

Environment

1. Greenhouse gas emissions[2]
2. Disclosure of environmental data
3. Water
4. Sustainable finance[3]
5. Single-use packaging/plastics

Social

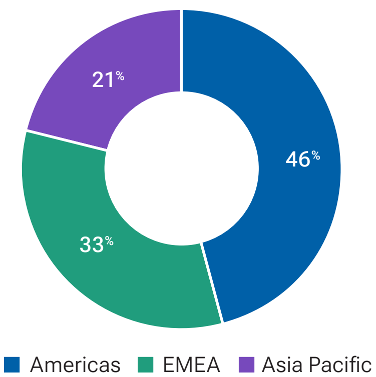
1. Employee safety and treatment
2. Disclosure of social data
3. Product Safety
4. Financial inclusion and affordability
5. Access to medicines/drug pricing

Governance

1. Executive compensation
2. Board composition[4]
3. Succession[5]
4. Disclosure of governance data
5. Compliance programmes

Below is the split of TRPA ESG engagements by region. Just under half the ESG engagements in 2024 took place with companies in the Americas, and the other half took place with companies in the Europe, Middle East and Africa (EMEA) and Asia Pacific regions.

Engagements by region—TRPA



How we engage with companies

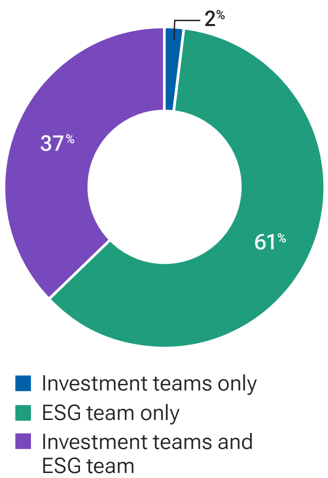
TRPA's engagement programme primarily takes place through formal letters to Boards of Directors, private meetings in our offices, conference calls and proxy voting. Over half of all engagements are attended by the ESG team only; our investment teams, which include both investment analysts and portfolio managers, participated in just over one-third of all meetings. In terms of who we engage with, just under half of all meetings are with sustainability specialists or other managers.

Our Engagement Policy (publicly available for investors via our website) sets out our approach in more detail.

The following charts show who participated in ESG-related dialogues in 2024, both from within TRPA and from the company side.

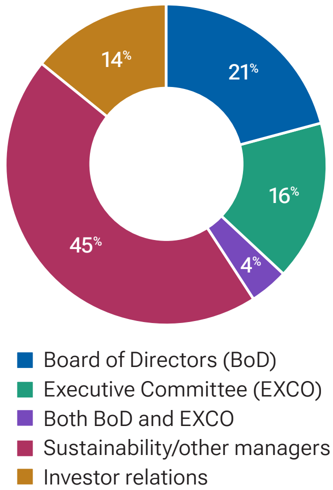
TRPA ESG engagement attendees—T. Rowe Price

TRPA engagement attendees



TRPA ESG engagement attendees—companies

Corporate ESG engagement attendees



How companies can engage with TRPA

The central contact point for inbound engagement requests on ESG topics to TRPA is through the shared inbox, engagement@troweprice.com. This allows our globally distributed team to see all incoming requests in a single location.

We encourage companies to visit our ESG homepage, where we publish our Proxy Voting Guidelines, ESG Investment Policy, Investment Policy on Climate Change, detailed voting results with rationales, Engagement Policy, white papers and other documentation on a single webpage accessible to the public.

Companies wanting to engage in a market sounding with T. Rowe Price should contact our Compliance team via our Market Soundings shared inbox, Market_Soundings@troweprice.com.

[2] Includes GHG reduction/net zero targets and financed emissions.
[3] Includes ESG-labelled debt issuances.
[4] Includes Board independence and Board diversity.
[5] Includes both executive and Board succession.

How engagement differs for funds, asset classes or geographies

In general, our approach to engagement does not differ significantly between individual funds in TRPA and TRPIM. However, the equity impact strategies take a particularly hands-on approach to joining their voting and engagement activities as part of their commitment to additionality, driven from discussions at the weekly Impact Research Meeting.

For those clients that have adopted a net zero stewardship approach, either stand-alone or as part of applying T. Rowe Price's net zero transition framework, we internally aim for 70% of a portfolio's financed emissions to be at least aligned with net zero or the subject of engagement over any 24-month period. Our net zero engagement philosophy is focused on meaningful interactions with investee companies around their emissions disclosure and net zero strategy, with specific, time-oriented goals and key performance indicators (KPIs) used for monitoring and oversight.

Both TRPA and TRPIM engagement meetings are open to holders of both equity and fixed income securities. Our engagement approach may vary by geography to reflect local market norms and regulations (e.g., Principle 10 contains a discussion of how this impacts our willingness to undertake collaborative engagements).

Oak Hill Advisors (OHA) has a different engagement model, due to the nature of the asset class in which it invests. As such, most of the engagement practices outlined in Principle 9 relate only to TRPA and TRPIM.

When we engage

Our starting point is that we assume any ESG engagement will be relevant to the holders, whether the security is held within a fixed income or equity strategy. TRPA has an open-door meeting policy and a single calendar of upcoming company meetings across the organisation; TRPIM operates under the same approach. Any analyst or portfolio manager is welcome to attend any company meetings, whether or not they cover or hold the company's securities. There may be a diversity of views in any company meeting, but the responsibility for leading the dialogue with the company sits with the relevant investment analyst. We may choose to open a dialogue with a company on an environmental, social or governance topic for a variety of reasons.

- Ahead of an annual general meeting (AGM), we may seek further information before we make the voting decision. This is particularly likely if we are a significant shareholder and the company is actively held. However, we will engage on behalf of any holding, regardless of size, if we believe it is warranted by the nature of the voting resolution.
- We may seek further information relating to the company's environmental, social and governance disclosures and practices, for example, if a change to the company's Responsible Investing Indicator Model (RIIM) rating was flagged in a portfolio review. If we have previously identified that there is room for improvement, we may engage to encourage the company to strengthen these.
- Performance concerns, whether related to financial or nonfinancial metrics, is a frequent reason for engagement. The company may have been involved in a significant controversy and may seek to share its perspective on the event and the company's response. Alternatively, we may have concerns over the company's strategy towards a sustainability topic, such as climate change or employee treatment.

Engagement requests may also be initiated by the investee company. These may be requested for a few reasons, including:

- Ahead of an AGM, companies may request the opportunity to speak with us if an item on the ballot is particularly controversial and they have received a negative vote recommendation from one of the proxy advisers or because they are aware that one of their voting items is contrary to a T. Rowe Price voting guideline.
- Companies seek feedback on environmental, social and governance disclosures which have been published or to invite comment on practices which the company is thinking of amending.
- If the company has been involved in a significant controversy, management may wish to share their perspective with shareholders.

Pre-meeting engagement

Ahead of an AGM, we may seek further information before we make a voting decision. This aims to ensure we have sufficient information to make an informed voting decision. If we were not able to support the resolution following engagement, we will tell the company why. This may be through a pre-AGM notification email, or we will tell the company directly if they ask. We do not generally tell third parties, even those working on behalf of the company, how we plan to vote.

Pre-meeting engagement case studies

Discussing director election and litigation with an American oil and gas company (TRPA)

Exxon Mobil Corporation

Focus	Governance
Company Description	Exxon Mobil Corporation is an American multinational oil and gas company.
Asset Class	Equity
Country	US
Engagement Objective	The objective of this engagement was to focus on the company's upcoming 2024 shareholder meeting as well as litigation.
Participants	From Exxon Mobil: ESG Investor Relations; Litigation/Legal Representative; Compensation Representative From T. Rowe Price: Head of Corporate Governance, TRPA
Engagement Outcome	Exxon asked to engage with us to discuss its upcoming shareholder meeting. The issue of main concern was the director election. This dates back to 2021 when the US Securities and Exchange Commission (SEC) loosened the standards for the types of topics that can be put forward as shareholder proposals at US companies. Since that guidance was issued, the number and breadth of proposals have rapidly increased—particularly on environmental and social topics. If a company believes a shareholder does not have the proper standing to bring a proposal up for a vote, it may submit a request for relief from the SEC. This is the path most disputes take. However, technically the arbiter of these disputes is the federal court system, not the securities regulator. Using this logic, as well as a view that the SEC has failed to carry out its duties to corporate issuers since it issued the 2021 guidance, Exxon sued two environmental advocacy groups in a North Texas court, seeking to exclude their proposals from the 2024 proxy. During the engagement, the company provided the details of the lawsuit and its reasoning for taking this path in this filing. – The proponents ultimately withdrew their proposals and agreed not to submit any similar resolutions in the future at Exxon. The company elected to continue the case anyway, but it was ultimately dismissed by the court. It is possible (but unlikely) that other corporate issuers may also bypass the SEC and pursue relief in the courts for next year. – The TRPA Governance team view is that the Board acted appropriately in using all means at its disposal to address a costly and growing issue, which is non-shareholder advocacy groups using annual meetings for purposes unrelated to corporate value. – In the weeks leading up to the meeting, a small set of asset owners and advocacy groups declared their intentions to vote AGAINST some or all of the Exxon Board members over this case. One of the two proxy advisers agreed and recommended to vote AGAINST the Board's lead director. TRPA voted FOR all directors. – In the end, the Board's lead director had 87% support, and the rest of the Board had an average 96% backing. In our view, it was proof that the vocal minority is out of step with the views of the investor base overall. As a result of the engagement, we achieved our objective of making a more informed proxy voting decision. The mainstream strategies voted with management on all items. All directors were reelected.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

A discussion on transaction limits (TRPA)

BizLink Holding Inc	
Focus	Governance
Company Description	BizLink Holding is a technology hardware and equipment company.
Asset Class	Equity
Country	Taiwan
Engagement Objective	The objective of this engagement, led by the investment team, was to discuss the proposed increase in transaction limits and the employee share option scheme.
Participants	From BizLink Holding: Investor Relations From T. Rowe Price: Portfolio Manager; Associate Portfolio Manager
Issue	At the 2024 annual general meeting (AGM), the company proposed to amend the procedures governing the acquisition or disposal of assets which would grant the chairman significantly greater authority in making transaction decisions without any checks and balances from the Board and independent directors (item 5). In addition, the company proposed to issue employee stock option certificates below the market price (item 6).
Vote Outcome	We believe the company has not provided enough justification for the proposed increase in transaction limits (item 5). Furthermore, investments in securities and derivatives are not related to the core business and the company does not have a track record or experience in similar investments. We therefore voted AGAINST the proposal at the 2024 AGM. It received 73.8% support. We also voted AGAINST the issuance of employee stock option certificates below the market price (item 6). BizLink Holding has failed to adopt any measurable performance hurdles, which therefore limits shareholders' ability to assess the effectiveness of the scheme. The proposal received 56.2% support.

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A proxy contest with an American national trade union centre (TRPA)

Warrior Met Coal Inc

Focus	Governance
Company Description	Warrior Met Coal is a US-based mining company that specialises in hard coking coal, a critical component of steel production.
Asset Class	Equity
Country	US
Engagement Objective	We met separately with both Warrior Met Coal and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), a national trade union centre. The objective of our engagement was to inform our voting decision at the 2024 shareholder meeting, which includes a proxy contest with the AFL-CIO.
Participants	From Warrior Met Coal: Director; CEO; Corporate Secretary From AFL-CIO: Deputy Director of Corporations and Capital Markets; Senior Corporate Research Analyst; Executive Assistant to the President and Chief of Staff; Assistant to the President and Director of Research From T. Rowe Price: Head of Corporate Governance (TRPA)
Engagement Outcome	TRPA is a significant shareholder of Warrior Met Coal. The company had a first-of-its-kind proxy contest this year. Following our usual protocol, we spoke with both parties in the contest. In 2022, under its new Universal Proxy rule, the US SEC changed the rules for how contested elections are conducted—making it cheaper and easier for a dissident shareholder to solicit shareholders' support by filing their own proxy. From the time of the rule change until now, the mechanism has only been used by investors nominating an alternative slate of directors to be on the Board. However, in a surprising development, the AFL-CIO, in support of the United Mineworkers of America, used the rule to submit five nonbinding governance and social proposals to a vote. They did not nominate any directors. Under the regular proxy rules, an investor is limited to one shareholder proposal per company per year. By using the universal proxy rules, the union was able to put forth five proposals. We believe this is a troubling precedent and an exploitation of a loophole in the new rule. If other social/environmental activist shareholders follow this model, it would introduce enormous complexity into the US proxy voting landscape. In the management meeting with Warrior Met Coal's chief executive officer (CEO) and Nominating Committee chair, we discussed the five proposals and the status of the contract negotiation. The company's view is the campaign has little to do with corporate governance and everything to do with strengthening the union's bargaining position. The company Board reviewed all of the proposals and found there was one they agreed with. The Board recommended FOR one of the union's proposals having to do with how directors are elected. The Board opposed the other four. The company says 25% of the current hourly work force is represented by a union. At its peak, that figure was 90%. The main point of contention in the negotiations is whether a variable pay framework can be used that reflects the commodity price. During a separate meeting with the dissident shareholders in April, the AFL-CIO representatives explained the logic of using the universal proxy rules in this novel way. They also highlighted their disagreement with management on 'performance-based pay' for workers compared with how it is applied to the CEO. As a result of the contest: Influential proxy adviser ISS largely sided with the union. At the meeting on 25 April, the results were mixed. – 99% voted FOR the item that both parties had agreed to. – 51% voted FOR a request that any future 'poison pill' plans (also known as shareholder rights plans) be ratified by shareholders first. This includes net operation loss protection plans. – 46% supported a request that the company publish an audited report assessing its adherence to international standards of freedom of association/collective bargaining. – 22% supported a request that the issuance of preferred shares should be subject to a shareholder vote. – 4% supported the idea of taking management's golden parachute plan (i.e., benefits given to top executives of a firm if it is taken over by another company) to a shareholder vote. TRPA sided with management on all items, taking into consideration our portfolio managers' views on the labor dispute and our concerns about the exploitation of a loophole in the proxy rules. Ultimately, we achieved our objective of making a more informed proxy voting decision.

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Sometimes the desired outcome of a pre-AGM engagement is not seen in the year of the meeting.

Overboarding improvements at a biopharmaceutical business (TRPA)

Blueprint Medicines Corporation

Focus	Governance
Company Description	Blueprint Medicines Corporation is an American biopharmaceutical company.
Asset Class	Equity
Country	US
Engagement Objective	We engaged with Blueprint Medicines to discuss the election of an overboarded director, as part of our objective of making a more informed proxy voting decision.
Participants	From Blueprint Medicines: Investor Relations; Legal Representatives From T. Rowe Price: Head of Corporate Governance (TRPA)
Engagement Outcome	Overboarding has been an issue at Blueprint Medicines for the last two years, with a few members of the Board also serving on multiple other public and private company Boards. Investors generally consider anything over five commitments to be excessive, and a majority therefore voted AGAINST directors for this reason in both 2022 and 2023. It is rare for a majority of investors to oppose a director. Our policy is that these episodes should be taken seriously by the Board, although US investors do not technically have the right to force the removal of a director. We generally expect the company to change its bylaws to ensure this does not happen again. In 2022, when two directors received high opposition, the company put in an overboarding policy, addressed the issue in its next proxy and worked with the directors to reduce their outside commitments. Our view, approaching the 2023 vote, was that they had done enough. But a majority of investors still voted AGAINST yet another director, Alexis Borisy. He served on six Boards, chairing three of them, but had committed to reducing his service on other public company Boards to be in compliance with the company's overboarding policy within the next 12 months. During our engagement, we discussed various responses the company could adopt. Our main recommendation was to strengthen its director-election bylaw, which it did after the second fail. In adopting a majority voting standard, it demonstrates to investors that it has responded appropriately to the concerns. With this new bylaw in place, all directors were reelected by safe margins in 2024.

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Engaging with a Japanese internet company on cybersecurity (TRPA)

LY Corp	
Focus	Governance
Company Description	LY Corp is a Japanese internet company and operates Yahoo! Japan and the messaging app Line.
Asset Class	Equity
Country	Japan
Engagement Objective	We engaged with LY to inform our voting decision at the company's 2024 annual general meeting (AGM).
Participants	From LY: Head of Investor Relations From T. Rowe Price: Head of Governance, EMEA and APAC; Investment Analyst
Engagement Outcome	We engaged with LY to inform our voting decision at the company's 2024 AGM following a 2023 cybersecurity breach at Naver, the South Korean internet company that owns LY with Japan's SoftBank Corp. The data breach was the second to occur since 2021, and the TRPA voting policy recommended that holders vote against LY's chair and president. Whilst some LY executives waived some pay following the incident, we view the response as inadequate given the severity of the breach. In the latest data breach, LY disclosed in November 2023 that a cyberattack exposed the personal data of users, business partners and employees for a month starting in October. The incident stemmed from a malware-infected device belonging to a worker at a subcontractor for Naver. In February 2024, LY disclosed further data leakage due to unauthorised access by two subcontractors. That month, LY announced a remediation plan, which called for strengthening the management of subcontractors and improving network security. In March, Japan's Ministry of Internal Affairs and Communications also asked LY to strengthen both these areas and subsequently gave further administrative guidance to the company with a response date by 1 July. Amongst other things, the ministry told LY to stop outsourcing its back-office systems to Naver and reportedly instructed LY to ask Naver to reduce its ownership stake in the company. LY informed us that it plans to spend US$200 million to develop internal replacement systems and that all outsourced processes to Naver will cease by the end of 2024. At a press conference in May, the president of LY said that the company would stop outsourcing business to Naver and requested that Naver reconsider the capital relationship between the two companies (A Holdings Corp, a 50–50 joint venture between Naver and SoftBank, is the parent of LY and owned a majority stake at the time of the AGM). LY also announced the departure of two Board members and gave details of the voluntary nonpayment of remuneration. However, we think that the disclosure was insufficient to determine whether the move was a meaningful sacrifice. The engagement revealed that a pay-for-performance disconnect remains at LY despite its executives' voluntary pay sacrifice. Given the severity of the data breach, we voted AGAINST the reappointment of the chair and president at the AGM. Both were reelected with 85% support.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Engagement to promote best practice

Outside the AGM season, we may seek further information related to a company's environmental, social and governance disclosures and practices. This is to improve our understanding of the company's practices. Where we identify room for improvement, we encourage the company to strengthen its approach.

Best practice engagement examples

Positive climate reporting outcomes following an engagement with an Indonesian company (TRPA)

Sumber Alfaria Trijaya	
Focus	Environment, Governance
Company Description	Sumber Alfaria Trijaya is an Indonesian convenience store chain, better known as Alfamart.
Asset Class	Equity
Country	Indonesia
Engagement Objective	We engaged with the company to discuss sustainability and its approach to communicating with investors.
Participants	From Sumber Alfaria Trijaya: Investor Relations From T. Rowe Price: Investment Analyst, Responsible Investing Analyst, Corporate Governance Analyst
Engagement Outcome	During our engagement meeting with Sumber Alfaria Trijaya, we shared our net zero voting guidelines and encouraged better disclosure. We stated our preference for reporting aligned with the Task Force on Climate-Related Financial Disclosures (TCFD). We also highlighted our preference for emission reduction targets and disclosure of material Scope 3[6] inventories. We communicated that, in line with good practice, any targets are set using a 1.5°C-aligned scenario and for offsets to be used appropriately. Additionally, we encouraged the setting of net zero targets. We highlighted that we believe there is room to improve investor access, such as providing recordings or transcripts of earnings calls. This feedback was well received by the company. Since the engagement, we identified two positive outcomes: 1. The company has reported both Scope 1 and 2 emissions (previously they only disclosed the Scope 2 greenhouse gas emissions) 2. The company has engaged a consultant and provided a concrete time frame for full emissions inventory (including Scope 3) and targets In terms of next steps, the company has highlighted that it will report full emissions data, including Scope 3. We will also keep an eye on first emissions reduction targets, publication of TCFD-aligned reporting and disclosure of science-based and net zero targets.

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[6] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Discussing EV strategy and impact reporting best practice at Ford (TRPA)

Ford	
Focus	Environment
Company Description	Ford is an American multinational automotive company.
Asset Class	Equity
Country	US
Engagement Objective	We engaged with Ford to discuss the impact of its updated electric vehicle (EV) strategy on the company's existing green bonds and prospective labelled/unlabelled issuance. We also wanted to provide feedback on its impact reporting.
Participants	From Ford: Fixed Income Investor Relations Representative; Funding Representative; Sustainability Representative; Investor Relations Representatives From T. Rowe Price: Responsible Investing Associate Analyst; Global Impact Credit Analyst
Engagement Outcome	Ford has recently announced a slowdown in its EV launch pipeline to focus on hybrids and more fuel-efficient internal combustion engine (ICE) vehicles. The company has also backed away from releasing EV volume targets to the market, which clashes with what we typically require for impact strategies. The company rolled out its green bond framework in 2021 and now has two green bonds on the market for a total amount outstanding of c.US$4 billion. During the engagement, the management team reassured us that the revised EV strategy has no impact on the existing green bonds, given that they are both fully allocated to expenditures that have already been employed to support the production of EVs, and specifically EV models that are already on the road. The company also clarified that >50% of the proceeds allocation has been directed to new financing with a modest lookback period of 24 months maximum. Regarding future labelled issuance, Ford sees green bonds as one of several financing tools. This means the company will continue to use the green format when it makes sense alongside unlabelled issuance. The company also said it is generating enough liquidity. During the engagement, Ford was very receptive to our feedback on impact reporting. We suggested including a breakdown of allocation towards capital expenditure versus operational expenditure. We also suggested improving impact key performance indicators (KPIs) reporting in line with the most recent International Capital Market Association (ICMA) harmonised framework on impact reporting. Ford outlines the fuel-efficiency and emission savings benefits of specific EV models versus its ICE equivalents; however, we expressed our preference for more aggregate KPIs on EV production and greenhouse gas emissions avoided. We also suggested highlighting investments into plants that are fully or partly dedicated to EVs. However, according to Ford, a lot of the company's investment is not plant specific. After the engagement, we sent Ford a couple of best practice impact reporting examples, which the company will aim to integrate in future reports. Overall, the company was very receptive to our feedback, and we aim to reengage in 2025 on progress. This includes engaging with Ford again following the release of its next sustainability and impact reports in a year and monitoring how the company improves disclosures in its next impact report.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Engaging with a data centre company on disclosures (TRPA)

CyrusOne Data Centers

Focus	Environment
Company Description	CyrusOne Data Centers builds and manages data centres globally.
Asset Class	Fixed Income
Country	US
Engagement Objective	Our Securitised Credit and Responsible Investing teams cooperated on an environmental, social and governance (ESG) engagement with CyrusOne Data Centers—a data centre asset-backed securities (ABS) issuer. The purpose of our engagement was to request individual deal-level disclosure of green bond impact metrics and additional disclosure on how it plans to achieve its 2030 climate neutral target.
Participants	From CyrusOne: Executive Vice President/Chief Investment Officer From T. Rowe Price: Responsible Investing Associate Analyst
Engagement Outcome	**Deal-level impact disclosure** CyrusOne is a best-in-class data centre ABS issuer, consistently financing through its green secured bond programme. Its green financing framework aligns with International Capital Market Association (ICMA) best practices and has impact reporting consistent with the Global Reporting Initiative. We expressed support for CyrusOne's annual ESG report, which highlights impact key performance indicators financed through its ABS issuance, including greenhouse gas emissions avoided, power usage effectiveness and water usage. However, reporting occurs at the green ABS programme level, not the individual issuance level. This makes it difficult to tie impact metrics to individual deals. We requested, as appropriate, that impact reporting be disclosed at an individual deal level. CyrusOne acknowledged our feedback and will look to see if deal-level data can be provided in future ESG reports. **2030 climate-neutral target** CyrusOne has established Science-Based Targets initiative (SBTi) validated short-term targets to achieve its 2030 climate neutrality target. As a founding member of the Climate Neutral Data Centre Pact, CyrusOne has been at the forefront of improving data centre power and water efficiency. Going forward, all newly constructed data centres will utilise a 'near-zero water consumption' design, significantly reducing water usage. During the engagement, we requested that CyrusOne provide additional disclosure on how it plans to achieve its ambitious 2030 climate-neutral target. CyrusOne explained that it is primarily relying on power purchase agreements to achieve its 2030 climate-neutral target, with longer-term aspirations of generating small-scale solar/nuclear on-site. Management indicated that they will provide incremental disclosure of their 2030 climate neutrality plan on the company's website. Ultimately, our engagement enabled us to encourage CyrusOne to provide deal-level impact data and incremental disclosure on how it plans to achieve its 2030 climate-neutral target. Management was receptive to our feedback and indicated that they will, as appropriate, look into making this information more accessible to investors.

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Communicating our views on evolving best practice at dedicated events

Our Corporate Access team arranges individual company meetings, as well as more complex group events such as the example below.

2024 Buyside London CEO Symposium (TRPA)	
Focus	Environment, Social, Governance
Country	EMEA
Objective	During the year, we convened with five other asset managers to host a chief executive officer (CEO) symposium where we invited select companies in our portfolios to discuss emerging sustainability topics.
Engagement Outcome	The 2024 Buyside London CEO Symposium took place over two days in London in December. It was attended by investment analysts and portfolio managers for the largest global- and regional-focused funds. The event had a 100% CEO participation rate, with 164 large-cap CEOs representing multiple sectors. In terms of feedback, CEOs appreciated the efficient format to meet with leading long-only asset managers.

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Controversy-led engagement

When a company may have been involved in a significant controversy, we speak to personnel to understand their perspective and gain a better insight into the situation. A successful engagement will be demonstrated by our improved understanding of the company's practices and the context around the incident. If we have identified that there is room for improvement, we will encourage the company to strengthen its approach.

Example of a controversy-led engagement (TRPA)

ArcelorMittal

Focus	Social, Governance
Company Description	ArcelorMittal is a global steel company.
Asset Class	Equity
Country	Luxembourg
Engagement Objective	We engaged with ArcelorMittal twice in 2024 because we wanted an update on the company's response to a mining accident in Kazakhstan that killed 46 employees in 2023.
Participants	From ArcelorMittal: Lead Independent Director; Head of Human Resources; Company Secretary and Group Compliance Representative; Head of Sustainable Development and Corporate Communications; Head of Investor Relations; Investor Relations Representative From T. Rowe Price: Head of Governance, EMEA and APAC; Corporate Governance Analyst; Responsible Investing Analyst
Engagement Outcome	In October 2023, ArcelorMittal experienced a major accident in a mining operation in Kazakhstan. The accident was caused by two back-to-back gas explosions in an underground mine, and 46 people were killed. We engaged with the company soon after the accident, making it clear that we wanted to see full transparency on its due diligence in relation to the accident and the steps it plans to take to improve safety. We followed up with the company in February 2024 for an update on progress and again in November 2024 after the key recommendations from its safety audit had been published. In December 2023, ArcelorMittal commissioned a third-party, independent safety audit. This audit was across the entire organisation globally and included an audit of every site with >150 employees (c.170 sites in total). The audit included a sample of the smaller sites (which are mostly distribution centres, with much lower safety risks). There were three pillars to the audit: 1. Comprehensive fatality prevention standards audits for the three main occupational risks leading to serious injuries and fatalities. 2. Expert input into the company's planned process risk management safety audits of its highest-priority countries and assets. 3. In-depth assessments of all health and safety systems, processes, structures and capabilities; governance and assurance processes and systems and data management. In the first meeting we were informed that the final recommendations should be published by September 2024, with the bulk of the work expected to be completed by the end of June. We encouraged ArcelorMittal to provide updates to the market wherever possible. We asked about the Board skill mix and health with regard to safety expertise. External experts regularly come to educate the Board on health and safety topics, and one of the non-executive directors has extensive experience in mining, oil and gas and safety issues. Unfortunately, he will hit his term limit so will stand down at the 2024 AGM. We hoped that new independent director with safety, mining and executive experience will join at the 2024 AGM, but this did not happen. A candidate was found, but the chair of another Board on which they served refused to allow them to take on this extra commitment. The search has recommenced ahead of the 2025 AGM. We met with the company again in November 2024 following the publication of the key findings of its safety audit. We were pleased with the level of transparency that the company had provided throughout the process and in publishing the key findings of the audit, although more detail would be welcome in certain areas. We encouraged the company now to provide regular updates throughout the implementation phase. We hope to see further updates in the first quarter of 2025, and the appointment of the new non-executive director with health and safety expertise at the second quarter 2025 AGM.

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Thematic engagement

T. Rowe Price generally relies on a fundamentally driven, bottom-up investment process. As a result, we do not typically identify broad themes from a top-down level and then systematically engage with issuers against those themes. Instead, we find pockets of opportunity to conduct smaller thematic engagements when we identify issues affecting a subset of companies in our portfolios, such as within an industry, region or asset class.

When a non-company-specific issue is identified as a material risk to one of these subsets by the investment team, we may initiate a period of thematic engagement. Engaging on the same topic with a representative set of issuers allows us to benchmark their responses against those of peers and build our knowledge of developing practice on this topic.

Thematic engagement case studies

Examples of thematic engagements undertaken may include environmental topics such as sustainable agriculture and social topics linked to inequality, such as access to medicine.

Some thematic engagements are conducted directly with many companies. An example of this is our work encouraging companies to disclose in line with the TCFD and SASB frameworks or to disclose their GHG emissions reduction targets. We consider these as thematic as the same request has been raised at many companies.

Another type of thematic engagement would be a deep dive on one of our priority themes, such as human capital management, in an individual dialogue with a company.

A third type of thematic engagement would be a collaborative engagement on one of these themes. Our work in this area is discussed under Principle 10.

A successful engagement is when we have either gathered sufficient information to lessen the concern or have seen an improvement in the company’s practices. Most thematic campaigns run for a set period. We will consider escalation options where companies have not responded positively in a reasonable time.

An example of a thematic engagement focus in 2024 was cross-shareholdings in Japan. The request from the Tokyo Stock Exchange that companies be conscious of the cost of capital has led a majority of Prime-listed companies to either disclose their action plan or to confirm that one is under discussion. Whilst the action plans propose multiple initiatives, many refer to the reduction of cross-shareholdings to improve capital efficiency. Many investors have implemented a voting guideline which triggers a vote against top management if the proportion of cross-shareholdings is excessive. Hence, we were keen to speak with companies with a high proportion of cross-shareholdings to understand their approach to unwinding.

Engaging with Japanese banks on cross-shareholdings (TRPA)

Mitsubishi UFJ Financial Group, Inc., and Sumitomo Mitsui Trust Holdings, Inc.	
Focus	Governance
Company Description	Mitsubishi UFJ Financial Group, Inc. (MUFG), and Sumitomo Mitsui Trust Holdings, Inc. (SMTH), are two of the largest commercial banks in Japan.
Asset Class	Equity
Country	Japan
Engagement Objective	Both these banks had an excessive number of cross-shareholdings under the TRPA voting policy at the 2024 annual general meeting (AGM). Ahead of the AGM, we requested two separate meetings with the banks' management teams to discuss multiple topics, including their plans to unwind their cross-shareholdings.
Participants	From MUFG: Corporate Secretaries, Sustainability Team From SMTH: President, Sustainability Team, Investor Relations From T. Rowe Price: Head of Governance, EMEA and APAC; Investment Analyst (MUFG only); Responsible Investing Analyst
Engagement Outcome	At the 2023 AGM of Mitsubishi UFJ Financial Group, Inc., we voted against the chair and president because the ratio of cross-shareholding to net assets was over 20%. MUFG said that whilst it hit the three-year JPY539 billion divestment target, the ratio of cross-shareholdings to net assets will not be below 20% until 2027. We asked why the target for the next three years is more modest than the last three years, and the company said that it was more of a minimum hurdle rather than a stretch target, which it will try and exceed. At the 2023 AGM of Sumitomo Mitsui Trust Holdings, Inc., we voted against the president's reappointment and that of the chair because the proportion of net assets dedicated to cross-shareholdings is over the 20% hurdle in the T. Rowe Price Proxy Voting Guidelines. The president explained the progress made to date and said the company hoped to complete the JPY150 billion reduction in the 2023—2025 plan ahead of schedule. The company provided additional colour on the sell-down, noting that of the 870 companies held in 2021, 33% have already been reduced to zero, typically where ticket sizes are smaller. We were sufficiently reassured by the direction of travel at both companies to recommend support for top management at the 2024 AGM, even though both companies were still well over the 20% threshold.

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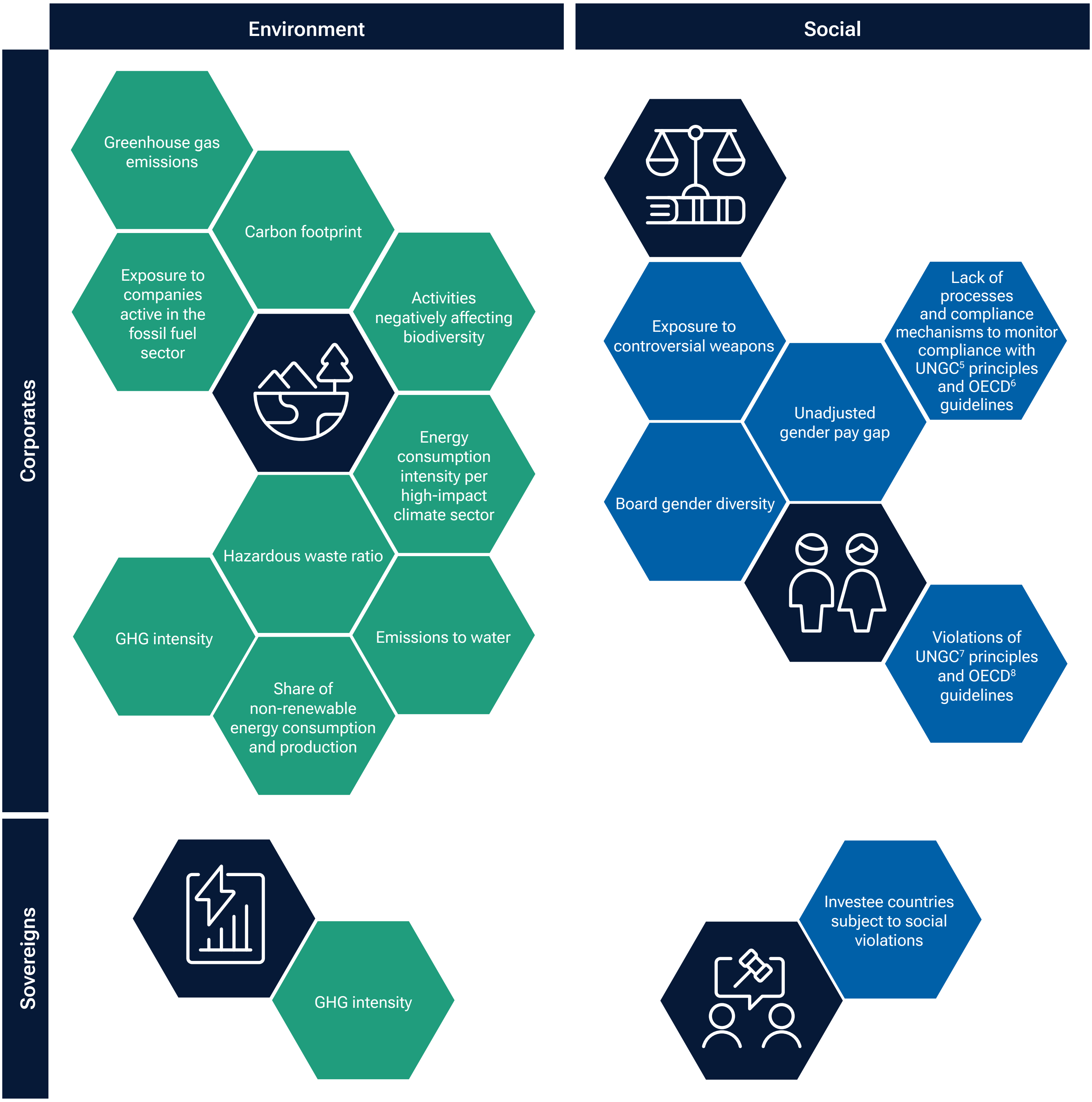
In those cases where we undertake thematic engagement, we prioritise material, long-term themes which generally represent structural shifts or imbalances taking place in the economy. Some of the themes we select will also link to the EU's Principal Adverse Impact indicators (see Principle 5 for a discussion of this regulation).

Thematic engagement



As of December 2024.
[7] United Nations Global Compact.
[8] The Organisation for Economic Cooperation and Development.
Source: The European Union.

Engaging for impact and net zero case study

Our equity analyst worked with the Responsible Investing and Governance analysts to provide guidance on climate disclosure and strategy to a Chinese electric vehicle (EV) manufacturer, with a specific focus on Scope 3[9] emissions. Two of the portfolio managers for the impact and net zero strategies joined the meeting to inform their understanding of the company's practices. The outcome of our engagement is outlined in the case study below.

How our impact and net zero strategies provided guidance to an EV manufacturer on ESG disclosure (TRPA)

Vertiv Holdings	
Focus	Environment, Governance
Company Description	Vertiv Holdings is a global provider of critical digital infrastructure technologies and solutions for data centres and communication networks.
Asset Class	Equity
Country	US
Engagement Objective	We met with Vertiv to inform our voting decision at the 2024 annual general meeting (AGM) and to ask it to disclose carbon emissions and emissions avoided metrics.
Participants	From Vertiv: Investor Relations Representative; ESG Representative From T. Rowe Price: Portfolio Managers; Head of Governance, EMEA and APAC; Investment Analyst; Responsible Investing Associate Analyst
Engagement Outcome	Vertiv's cooling technology is critical for enhancing data centre efficiency. We met with the company to address Vertiv's climate strategy and disclosure plans because it currently does not disclose carbon emissions. Vertiv internally tracks its emissions and reduction plans. The company published a sustainability report for 2023, highlighting that it is currently evaluating whether and how to disclose its Scope 1, 2 and 3 greenhouse gas (GHG) emissions. However, the company told us that it does not disclose these data because it is waiting for clarity on regulatory expectations in the US and European Union (EU) before deciding what to disclose. This is in line with neither its peers nor investors' expectations. The company believes the first regulation against which it must disclose is the EU's Corporate Sustainability Reporting Directive (CSRD), but these disclosures may only apply to its European operations in 2026, as the company has not yet decided the scope of its reporting. Under the CSRD, the deadline for the implementation for parent company-level reporting for non-EU firms could be as late as 2029, using 2028 data. We explained that our expectation for all companies is that absolute Scope 1–2 emissions are reported annually, and for those not meeting this bar, we will consider voting against the reelection of all non-executive incumbent directors at the next shareholder meeting. Overall, the engagement informed our voting decision at the 2024 AGM. The company's disclosure frequently addresses the energy savings and environmental impact that its centres can save customers, but Vertiv does not provide company emissions metrics. T. Rowe Price's mainstream strategies decided to give the company more time to disclose its Scope 1 and 2 GHG emissions, but the impact and net zero strategies decided that they would be voting against the 10 outside directors under their voting policies. We asked the company to disclose carbon emissions and emissions avoided. Metrics such as these augment our impact thesis and could help fortify its business case with end customers.

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[9] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

How we engage with noncorporate issuers

Our investment analysts will engage directly with any relevant noncorporate entity as part of their ongoing monitoring.

Engaging with Fannie Mae on its single-family social bond programme (TRPA)

Fannie Mae	
Focus	Social
Company Description	The Federal National Mortgage Association, or Fannie Mae, enables affordable housing in the US.
Asset Class	Mortgage-Backed Securities
Country	US
Engagement Objective	The Responsible Investing, Securitised, and Impact teams collaborated on an ESG engagement with Fannie Mae and Freddie Mac to provide feedback on their recently published single-family social bond framework. This engagement continues our ongoing engagement programme with Fannie Mae and Freddie Mac as they begin to provide increased disclosure on single-family mortgage pools and launch their single-family social bond programme.
Participants	From Fannie Mae: Vice President, Single-Family Capital Markets; Senior Vice President From Freddie Mac: Senior Director, Securitisation From T. Rowe Price: Head of Fixed Income, Responsible Investing; Securitised Analyst; Impact Credit Analyst; Responsible Investing Associate Analyst
Engagement Outcome	As we noted in last year's Stewardship Report, since 2022, our credit analysts and fixed income Responsible Investment specialists have held a series on ongoing engagements and dialogue with Fannie Mae's Capital Markets team to provide feedback and recommendations on its proposed social disclosure for single-family mortgage pools. In January 2024, Fannie Mae and Freddie Mac announced a new single-family social bond framework/programme with inaugural issuance expected in March 2024. After reviewing the framework, we provided feedback on outstanding concerns regarding post-issuance reporting and the Designated Disaster Area Criteria. Fannie Mae committed to provide post-issuance impact reporting for proceeds allocated to its single-family social bond programme in early 2025 (for mortgage pools issued in 2024). However, it's unclear what exact key performance indicators would be disclosed and if they would be disclosed at the mortgage pool or social bond programme level. One of the Mission Index criteria used for borrowers to qualify for inclusion in single-family social mortgage pools is 'Designated Natural Disaster Area'. We expressed our concerns that using solely Federal Emergency Management Agency (FEMA)-designated disaster census tracts could encompass too broad of a population, of which some borrowers may not be impacted by the natural disaster at all. We suggested only borrowers applying for temporary forbearance, or servicers applying on the borrower's behalf, qualify under the Designated Disaster Area Criteria. Fannie Mae and Freddie Mac said their objective with this criterion was not to identify individual borrowers, but to instead provide economic support to a disaster-impacted region in line with the agencies' mission. Additionally, they reassured us only new mortgage originations, not refinancing, would qualify under this criterion. Under these conditions, only borrowers whose houses were irreparably damaged would qualify. Ultimately, several objectives of our ongoing engagement have been achieved. These include Fannie Mae and Freddie Mac acquiring a Single-Family Social Bond Second-Party Opinion, which they will issue in June 2024. The agencies have also incorporated our feedback into their recently announced single-family social bond framework, ensuring 100% use of proceeds are International Capital Market Association (ICMA) aligned (one of our explicit requests in our feedback to the Federal Housing Finance Agency (FHFA).

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Engaging with the State of Maryland on environmental and governance topics (TRPA)

State of Maryland	
Focus	Environment, Governance
Description	The state of Maryland is a state in the mid-Atlantic region of the United States.
Asset Class	Fixed Income
Country	US
Engagement Objective	The Responsible Investing team collaborated with the Municipal Credit investment team on an engagement with the State of Maryland government (State). This was to provide feedback on its greenhouse gas (GHG) reduction and net zero targets, its climate resilience and adaptation practices and its capital allocation, focused on the Francis Scott Key Bridge tragedy and rebuilding efforts. We then followed up with representatives of the State of Maryland in the fourth quarter (Q4) to discuss progress.
Participants	From the State of Maryland: Chief Deputy Treasurer, Maryland State Treasurer's Office; Director, Debt Management, Maryland State Treasurer's Office; Deputy Treasurer for Communications and Public Affairs, Maryland State Treasurer's Office. From T. Rowe Price: Head of Fixed Income, Responsible Investing; Fixed Income municipal credit analyst; Responsible Investing associate analysts
Engagement Outcome	During our initial engagement with representatives for the State of Maryland, we discussed the Maryland Climate Solutions Now Act (CSNA), which has set out an ambitious 2031 60% GHG reduction target versus 2006, and a subsequent 2045 net zero target. We welcomed this ambition, alongside CSNA's important focus on ensuring this is an equitable transition. We noted that the December 2023 Maryland Climate Pollution Reduction Plan specifically calls out the need for c.US$1 billion per annum of public sector investment and that whilst the Inflation Reduction Act at the federal level will help, the same plan also noted that more investment will be required. We also requested that the issuer publicly disclose incremental details of the interagency sub-cabinet that the governor convened via a climate executive order, including terms of reference and its deliverables. During our Q4 follow-up engagement, representatives of the State of Maryland provided very detailed public disclosure, in and around the original executive order, as well as the terms of reference and deliverables of the sub-cabinet. Consequently, this element of the engagement is now complete. Additionally, we had also requested that they publicly disclose specific details on the costing and funding plans that sit behind the Maryland CSNA. Without these important details on funding and operationalisation of Maryland's CSNA, it is arguably difficult for us and other stakeholders to determine the veracity of these important targets. This element of the engagement is classified as 'in progress'. We also discussed climate and natural disaster risk. The Maryland Climate Pollution Reduction Plan touches briefly on climate adaptation and resilience. The plan highlighted that a Maryland Next Generation Adaptation Plan and State Resilience Strategy was 'forthcoming'. In our Q4 engagement, representatives highlighted that this strategy has now been published, alongside the earlier appointment of a chief resilience officer and the establishment of the Maryland Office of Resilience. It is anticipated that funding resources, deliverables and an annual report on Maryland climate resilience will be more substantively established by the end of 2025. We extended our condolences to the communities and individuals impacted by the Francis Scott Key Bridge tragedy in Baltimore. The Maryland Transportation Authority has an ambitious autumn 2028 plan for rebuilding the bridge, and a subsequent I-695 Baltimore Beltway reconnection plan. During our initial engagement, we discussed capital allocation. We asked whether State representatives would be able to provide incremental details on rebuild financing, including whether the rebuild was covered by the insurance for the cargo ship that crashed into the bridge before the collapse, or whether State funding was needed. Maryland representatives highlighted in our follow-up engagement that the State has now set up a single source of public information for the bridge rebuilding efforts, which they shared. Since our initial engagement, the State of Maryland representatives also advised they had filed a lawsuit against the owners of the operators of the cargo ship involved in the bridge collapse. Given this is now sub-judice, this has understandably resulted in certain restrictions in relation to this element of the engagement.

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Engagement objectives

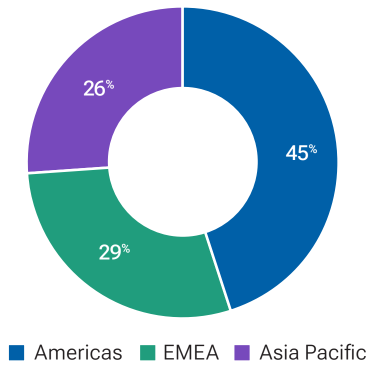
We have recorded and reported on our engagements for many years. However, in 2021 we identified the opportunity to more systematically track ESG-related expectations, or targets, set with our investee companies; the new process also supported the timely review of next steps we had identified within ongoing engagements.

Case study: Engagement target tracking (TRPA)

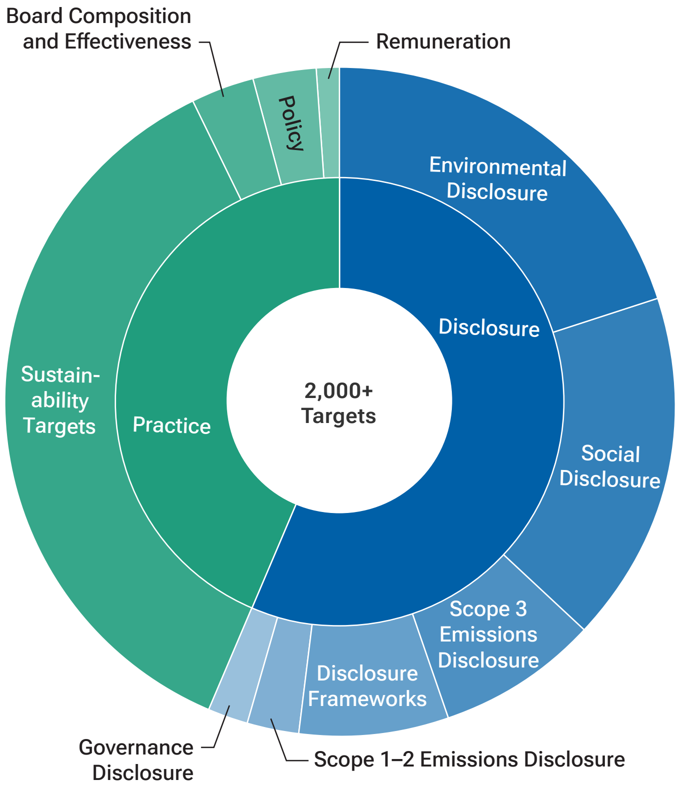
We track both follow-up actions and targets in a central database, and targets are divided into those seeking enhanced disclosure and those seeking a change in an issuer's practices.

The process has been adopted globally in TRPA, across both fixed income and equity strategies. The chart below shows the regional split of targets either opened or closed since 2023. In 2024 we added a new target category, sustainability targets, which we define as an environmental or social goal or strategy.

Targets by region



Targets by category



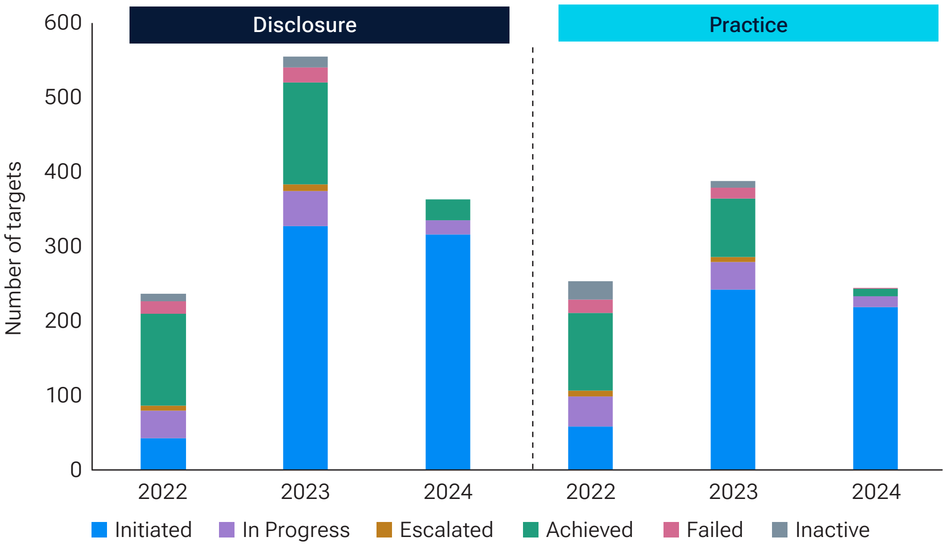
We recognise that the length of time to implement a practice change will depend on the company's situation and the nature of the change. We typically set targets that are achievable within 36 months. We want our targets to be clearly measurable and action oriented, so we generally do not set targets of over three years, although our analysts would continue to monitor the relevant long-term developments.

One exception to the timelines set out above is when a company is involved in a significant controversy and where we are therefore likely to want to see evidence of process improvements or management change within a shorter time frame. These companies will also have a shorter monitoring cycle than the standard annual cycle.

Engagement targets by status

We began systematically tracking TRPA engagement targets in the autumn of 2021, and we have consistently tracked the status of targets during each calendar year since. In addition, from the beginning of 2023, we introduced a new status for our targets which capture whether they are in progress, met, closed but not met or escalated because the target is still in progress but was not met in a timely fashion and is considered to be a high-priority change. Many of our targets have a multiyear time horizon of up to three years, particularly where we are requesting changes to practice. We are pleased to share below three full years of engagement targets, broken out into two categories: disclosure and practice. We believe that reporting by yearly vintage gives the clearest picture of progress to plan. Over time, we hope to see continued progress made against historical targets.

Status by target type



Initiated – a target has been identified and communicated to the issuer.

In Progress – the issuer has evidenced steps taken towards achieving the target.

Escalated – a target has not been met within the expected timeline. Action is being taken to maximise the chance of the target being achieved.

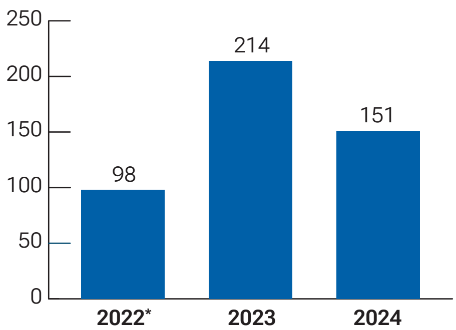
Achieved – a target has been met, either exactly as specified or in an equivalent way, within the expected timeline.

Failed – a target has not been met within the expected timeline and is now not realistically expected to be met.

Inactive – the target is no longer applicable, e.g., the entity no longer exists or is no longer owned.

TRPIM 2024 engagement activity

Total number of TRPIM engagements

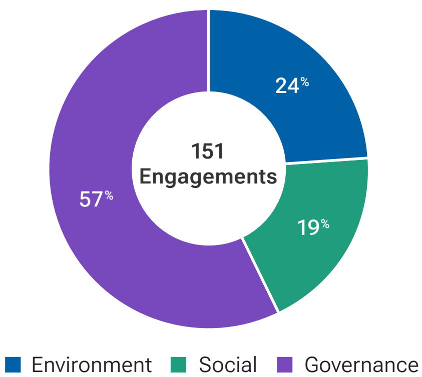


Through the course of 2024, TRPIM engaged with companies on 151 separate occasions on ESG topics. The list of companies with which we engaged is included in the appendix.

The year 2024 saw a 29% decrease in the number of ESG engagements undertaken by TRPIM, reflecting our ongoing company engagement strategy after an initial outreach campaign following the establishment of TRPIM in 2022. This included a focus on holdings with long-term classified Boards. As we were successful in engaging the substantive number of classified Board holdings in 2023, engagements with these same holdings were not repeated in 2024.

The chart below shows the engagements by topic. All TRPIM engagements were with companies in the Americas.

2024 engagements by topic TRPIM



There were some changes to the engagement topics by category compared with the prior year: Renewable energy moved from fifth to replace net zero in the second slot, with product sustainability moving up from fourth to third. Water was a new top five topic in the environment category. In the social category, there was only one change: Human rights replaced society and community relations in the fifth slot.

Similarly, for governance, there was only one change, with Board composition taking the top slot, due to our outreach around Board diversity, up from fourth last year and replacing governance structure/oversight.

Top five 2024 engagement topics by category—TRPIM

Environment

1. Greenhouse gas emissions[10]
2. Renewable energy
3. Product sustainability
4. Disclosure of environmental data
5. Water

Social

1. Diversity
2. Employee safety and treatment
3. Disclosure of social data
4. Supply chain
5. Human rights

Governance

1. Board composition[11]
2. Executive compensation
3. Proxy voting
4. Governance structure/oversight
5. Shareholder rights

How we engage with companies

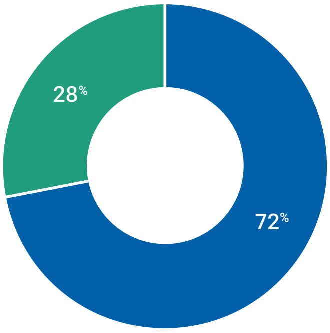
TRPIM's engagement programme primarily takes place through formal letters to Boards of Directors, private meetings in our offices, conference calls and proxy voting. Almost three-quarters of all engagements are attended by the ESG team only; our investment teams, which include both investment analysts and portfolio managers, participated in 28% of all meetings. In terms of who we engage with on the corporate side, just under a third of all meetings are with sustainability specialists or other managers, and 34% are attended by company Board of Directors and executive committee members.

Our Engagement Policy (publicly available for investors via our website) sets out our approach in more detail.

The charts on the right show who participated in ESG-related dialogues in 2024, both from within TRPIM and from the company side.

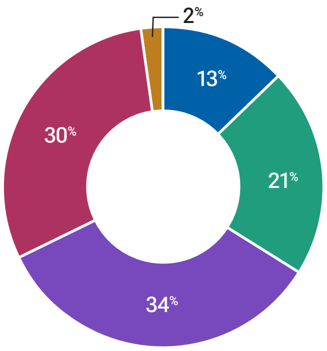
TRPIM ESG engagement attendees—T. Rowe Price

TRPIM engagement attendees



TRPIM ESG engagement attendees—companies

Corporate ESG engagement attendees



How companies can engage with TRPIM

The central contact point for inbound engagement requests on ESG topics to TRPIM is through the shared inbox, engagement.TRPIM@troweprice.com.

We encourage companies to visit our ESG homepage, where we publish our Proxy Voting Guidelines, ESG Investment Policy, Investment Policy on Climate Change, detailed voting results with rationales, Engagement Policy, white papers and other documentation on a single webpage accessible to the public.

When we engage

Our starting point is that we assume any ESG engagement will be relevant to the holders, whether the security is held within a fixed income or equity strategy. TRPIM has an open-door meeting policy and a single calendar of upcoming company meetings across the organisation. Any analyst or portfolio manager is welcome to attend any company meetings, whether or not they cover or hold the company's securities. There may be a diversity of views in any company meeting, but the responsibility for leading the dialogue with the company sits with the relevant investment analyst. We may choose to open a dialogue with a company on an environmental, social or governance topic for a variety of reasons, including to inform a voting decision and to share best practice. Engagement requests may also be initiated by the investee company.

Pre-meeting engagement

Ahead of an AGM, we may seek further information before we make a voting decision. This aims to ensure we have sufficient information to make an informed voting decision.

[10] Includes GHG reduction/net zero targets and financed emissions.
[11] Includes Board independence and Board diversity.

Engaging ahead of a vote: Pay practices (TRPIM)

CCC Intelligent Solutions

Focus	Governance
Company Description	CCC Intelligent Solutions Holdings Inc. (CCCIS) operates as a holding company. The company, through its subsidiaries, provides a cloud-based 'software as a service' platform of digital and data services for the insurance and automotive industries. CCC Intelligent Solutions Holdings serves customers worldwide.
Asset Class	Equity
Country	US
Engagement Objective	We met with CCCIS to discuss executive compensation, given modifications made to in-flight performance awards.
Participants	From CCCIS: Investor Relations From T. Rowe Price: Head of ESG, ESG Associate Analyst, Investment Analyst
Engagement Outcome	**Executive compensation** CCCIS's Board modified 2021 and 2022 performance stock unit grants whilst they were in flight, which we deem poor practice. Institutional Shareholder Services is valuing the modification in the chief executive officer's (CEO) fiscal year 2021 performance grant at US$55.2 million. In modifying the awards, the Board extended each grant performance period by one year and changed the performance metric for performance stock units from absolute total shareholder return (TSR) to relative TSR. For 2023 and going forward, they have exclusively refocused on the private equity-style EBITDA (earnings before interest, tax, depreciation and amortisation) margin and revenue compound annual growth rate to condition equity awards for the other named executive officers (NEOs). **Rationale for modification** The Compensation Committee considered that the CEO and the other NEOs had done a good job in executing the business plan. However, due to market conditions, the component based on absolute TSR awards did not pay out as anticipated. For morale purposes, they modified the absolute TSR awards, bringing back value. Furthermore, the Board decided not to let the awards lapse and issue new awards. This could have provided incentivisation and retention benefits because they were hampered by the CEO's commitment not to take another equity award or cash bonus until the stock hit US$25 per share. **Outcome** On Say on Pay, with the revenue component of the 2021 US$137 million award paying out above target (US$67 million), the US$55 million restoration of value by changing the performance conditions of the TSR portion restored the award value to US$122 million (90% of original face value). This was a value restoration not afforded to our fund holders. As the basis of the award was predominantly reward rather than incentivisation, following the engagement with CCCIS, we voted to oppose PAY. Say on Pay passed with weak support at 68%.

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Engagement to promote best practice

Outside the AGM season, we may seek further information related to a company's environmental, social and governance disclosures and practices. This is to improve our understanding of the company's practices. Where we identify room for improvement, we encourage the company to strengthen its approach.

Engaging on classified Boards (TRPIM)

Chesapeake Utilities

Focus	Governance
Company Description	Chesapeake Utilities Corporation is a utility company that provides natural gas transmission and distribution, propane distribution and information technology services. The company distributes natural gas to residential, commercial and industrial customers in Delaware, Maryland and Florida. Chesapeake Utilities' propane is distributed to customers in Delaware, Maryland and Virginia.
Asset Class	Equity
Country	US
Engagement Objective	The objective of our engagement was to continue to state our policy regarding long-term classified Boards in terms of rationale and policy implementation. Our goal was that the company would improve its governance standards by declassifying the Board. This is the second engagement we had with the company on this topic.
Participants	From Chesapeake Utilities: Chief Financial officer, General Counsel; Investor Relations From T. Rowe Price: Head of ESG, Associate ESG Analyst
Engagement Outcome	During the engagement with Chesapeake Utilities, we explained our long-term classified (staggered Board) policy, which is aimed at encouraging companies to declassify their Board after seven years at the latest as a public market company. We believe a Board where directors are all elected annually offers best-class accountability to shareholders. It also removes the risk of a soft takeover defence and enables investors to drive change more effectively through activism, where appropriate. Chesapeake Utilities has maintained a classified Board for over 30 years, since its time as a public market company. Our policy for companies that have maintained a classified Board for seven years or longer is to withhold support for those directors accountable for governance and the lead independent director or independent chair, as the director principally accountable to outside shareholders. Following our multiple engagements on this subject, in the 2024 proxy, the company committed to supporting a declassification proposal at the 2025 shareholder meeting.

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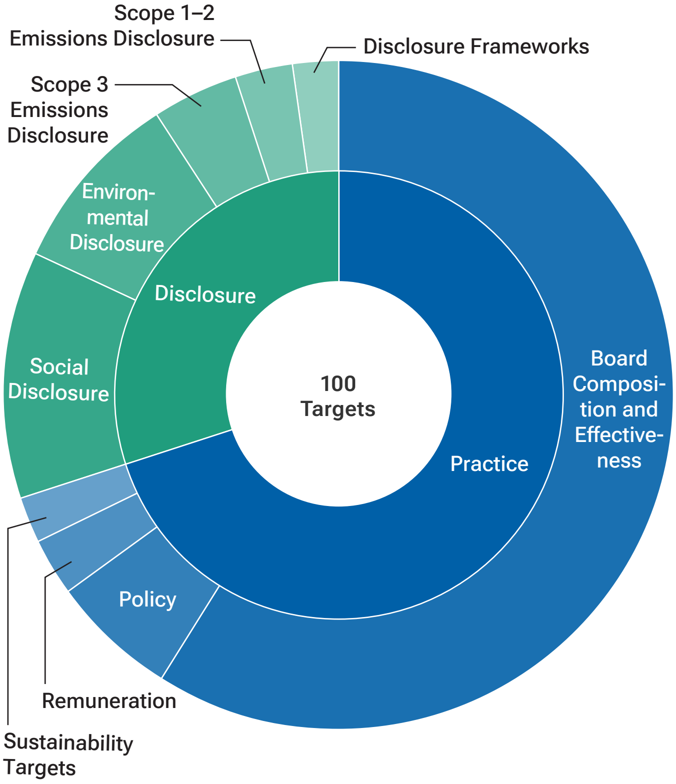
Case study: Engagement target tracking (TRPIM)

We track both follow-up actions and targets in a central database, divided into those seeking enhanced disclosure and those discussing the merits of a change in an issuer's practices. TRPIM has adopted the process across both fixed income and equity strategies. In 2024, we added a new target category, sustainability targets, which we define as an environmental or social goal or strategy.

Targets by category



	Initiated	In Progress	Escalated	Achieved	Failed	Inactive	Total
Disclosure 2024	27	0	0	1	0	2	30
Practice 2024	60	0	5	3	1	1	70
							100

How we monitor our investments

The frequency of our monitoring activity at TRPA and TRPIM is a function of the asset class of the investment, its reporting cycle, the size of our investment and the degree to which we have concerns about performance. Due to our long-term time horizon and fundamentally driven approach to investing, monitoring of the management, performance, strategy and governance of our investee companies is a natural extension of our investment process. Our dedicated, in-house research analysts consider tangible investment factors such as financial information, valuation and macroeconomics in tandem with intangible investment factors related to the environment, social factors and corporate governance.

Our approach to monitoring is the same whether our investment is held in an equity or a fixed income strategy. The equity or credit analyst generally speaks with the management of the company or other issuer following the public release of any significant news, financial results or strategic developments. In between such events, our analysts are responsible for monitoring the public filings of the company as well as information from a variety of sources: broker-sponsored research, investment conferences, industry publications and analyst days. In 2024, an equity analyst spoke at the Siemens AG AGM to ask questions to clarify the company's approach to strategy.

Our RIIM analysis also supports our regular portfolio monitoring reviews, as it will capture new data released and/or exposure to new controversies. If issues of sufficient concern are noted, this can trigger a decision to engage.

Monitoring the progress of the World Bank's 'Rhino Bond' (TRPA)

Wildlife Conservation Bond	
Focus	Environment, Governance
Description	The World Bank's Wildlife Conservation Bond, often referred to as the Rhino Bond, is an innovative, outcome-driven fixed income instrument that channels funds to biodiversity conservation.
Asset Class	Fixed Income
Country	South Africa
Monitoring	Our Fixed Income and Responsible Investing teams continue to monitor progress in relation to the World Bank's (IBRD) Wildlife Conservation Bond, also known as the 'Rhino Bond'. T. Rowe Price is a significant bondholder in the Rhino Bond, which select T. Rowe Price fixed income portfolios purchased in 2022. This bond is channeling financing towards the conservation of the critically endangered black rhino population in South Africa. Rather than paying coupons to investors, this innovative bond makes payments to finance conservation activities. At the bond's maturity, in addition to principal redemption, investors may receive a conservation success payment based on the achieved rhino population growth rate. Two years into the life of the bond, the black rhino population growth rate stands at 7.65% (as of 31 December 2023). This is well above the >4% target growth hurdle, which will trigger a 'Conservation Success Payment' to bondholders, which is paid by the IBRD on the maturity date. We are still a few years out from the final rhino population growth rate measurement. However, it is encouraging that the population growth rate of 7.65% represents approximately 36 more endangered black rhinos in two protected areas in South Africa, the Addo Elephant National Park and the Great Fish River Nature Reserve. If we were to fail to see the expected rhino population growth, then our investors would engage to understand why progress had slowed.

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How OHA approaches engagement

OHA views engagement as an opportunity for constructive dialogue and promoting transparency and disclosure around important ESG factors for company management consideration. OHA believes measurement leads to management and can create an intrinsic motivation amongst companies to take action and improve performance on financially material factors that can also contribute to positive social and environmental outcomes.

Given OHA's broad investment platform, which includes a wide range of strategies, the firm utilises a tailored approach towards engagement based on factors such as level of control and access to management. OHA seeks to engage with relevant parties on ESG topics, but engagement varies across strategies and is influenced by transaction type, timeliness, access to information, access to company management and relationships with interested parties. OHA prioritises areas which it believes are most material to the credit profile of the company, which can vary greatly amongst companies and industries.

In control investments[12] where OHA has governance rights, OHA is generally able to exert more influence on ESG matters compared with syndicated loans or public bonds where there are typically a large number of lenders. In these control investments, the OHA investment professionals work closely with the OHA ESG & Sustainability team to promote transparency and disclosure whilst elevating awareness of important ESG issues for company management and stakeholders. In syndicated or public investments, where OHA may have less access to management, collaborating with key field-building initiatives and trade associations to promote transparency and disclosure provides an opportunity to elevate the awareness of important ESG issues for company management consideration. In situations where financially material ESG issues are not addressed or prioritised by the company, OHA may avoid investment or divest its holdings if it believes there are financially material ESG risks.

[12] Control indicates that OHA owns 10% or more of the company's equity and/or had a Board seat or Board observer rights.

Company/sponsor engagement

- OHA seeks to support companies and sponsors and their ESG priorities
- When engaging with sponsors, OHA will prioritise company disclosure aligned with core standards and frameworks of mutual importance to the sponsor and OHA
- OHA supports both companies and sponsors with resources for calculating emissions developed through leadership with Initiative Climat International (iCI)

Bank engagement

- OHA drives understanding of consistent disclosure of ESG KPIs beyond green and sustainability-linked issuance
- OHA promotes adoption of the ESG Integrated Disclosure Project across leveraged finance markets

During 2024, OHA logged over 100 engagements with companies, sponsors or other interested parties in an effort to advance the goals outlined above.

Closing reflection

The engagement process for TRPA, TRPIM and OHA is largely consistent with what was discussed in the 2023 Stewardship Report. However, the absolute number of engagements was slightly lower for both TRPA and TRPIM than in the prior year. For TRPA, the 10% decrease was due to the Responsible Investing and Governance team members spending time on other priorities. For TRPIM, the 29% decrease was due to the completion of a successful engagement programme focusing on classified Boards. In the 2024 Stewardship Report, TRPIM reported its engagement target data for the first time.

PRINCIPLE 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

Collaborative engagement

Collaborative engagement involves working with other investors to engage an issuer in a group dialogue on specific topics or to achieve a specific change. Where we believe this benefits our clients and is allowable under the applicable regulatory framework, T. Rowe Price Associates, Inc. (TRPA), uses collaborative engagement as a means of escalating a concern we have identified in an individual dialogue (see Principle 11).

T. Rowe Price Investment Management, Inc. (TRPIM), has not used this tactic to date, given that the average size of its holdings in small- and mid-cap companies is typically sufficiently meaningful to ensure its voice is heard, but would do so if it felt this course of action was appropriate given the company-specific situation.

The framework we use to decide when to join a collaborative engagement is set out below.

Five key considerations for collaborative engagement

When considering participation in a collaborative engagement initiative, we weigh the following factors:

1 Alignment

How closely aligned is this engagement opportunity with our investment holdings? Does it include companies where we are significant shareholders?

2 Impact potential

Would our participation help the engagement initiative? Does it need a large asset manager merely to gain attention, or does it already have broad support?

3 Resource focus

Does the engagement make the most efficient use of our internally dedicated engagement resources?

4 Practicality

Have we already undertaken the same engagement or very similar engagements successfully?

5 Tangibility

Is the scope of the collaborative engagement clear, and are we confident that it will not change over time?

Given the asset classes in which they invest, Oak Hill Advisors' (OHA) collaborative engagement primarily involves work with other investors to facilitate systems-level change as detailed in Principle 4.

Why engage through investor associations?

We primarily engage in collaboration with investor associations or other initiatives that have been established specifically for this purpose, either with policymakers or with companies. We believe this is the most efficient and appropriate approach for such activity.

Collaboration highlights

In 2024, we participated in 16 collaborative engagements with 13 issuers. This number is a marginal decrease from 2023, but we are dependent on our preferred investor initiatives choosing to run collaborative engagements at companies we hold. Of the dialogues which did take place, 10 were with corporates and six were with sovereigns.

Collaborative engagement by type

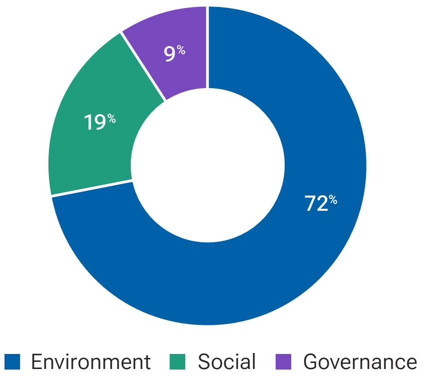
- On **governance**, we engaged corporates on governance topics through the UK Investor Forum and through the ACGA Japan Working Group. We are also a member of the 30% Club UK Investor Group and in 2024 joined the 30% Club Hong Kong Investor Group.

- We continue the **environmental** and **social** dialogues begun in 2022 through Farm Animal Investment Risk and Return (FAIRR) and the Access to Nutrition Initiative (ATNI). Two FAIRR engagements are detailed in the case studies later in Principle 10.

- We engaged sovereigns through dialogues convened by the Emerging Markets Investors Alliance (EMIA) and the Principles for Responsible Investment (PRI). The majority of these dialogues were on **environmental** topics.

The thematic breakdown of collaborative engagements is shown in the chart below. Collaborations were heavily focused on environment (72%), followed by social (19%) and governance (9%) topics.

Breakdown of collaborative engagement topics



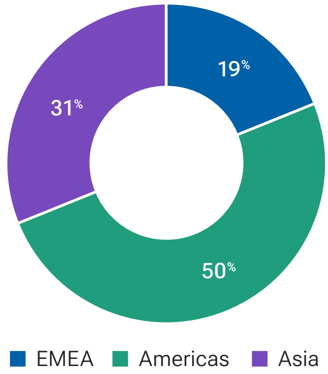
We have seen the number of corporate governance engagements decrease year-on-year due to three reasons. First, a lack of appropriate investor initiatives in certain markets. Second, existing investor initiatives have repeatedly selected companies for engagement in which we do not have a meaningful holding. Third, in 2024 we also saw certain investor initiatives focus more on policy advocacy than company engagement. Concern that we were losing access to an important escalation method was a driver for our decision to sign up to Eumedion, an investor initiative headquartered in the Netherlands in 2024.

2024 saw us depart two initiatives in the Americas. We exited the Association of Capital Markets Investors in Brazil, following a review of our memberships. After eight years of operation, the Investor Stewardship Group Board (chaired by TRPA's head of Governance, Americas) approved the dissolution of this group, effective 31 December 2024. The Board determined that ISG's original objectives had been achieved.

Regional breakdown of collaborative engagement

Unexpectedly, the greatest proportion (50%) of collaborative engagements in 2024 took place in the Americas region. This skew is due in part to our participation in several engagements in Canada alongside the Principles for Responsible Investment (PRI), as well as several collaborative engagements with Brazil alongside the Emerging Markets Investor Alliance (EMIA). By contrast, in 2023, only 29% of collaborative engagements took place in the Americas, behind EMEA at 38% and APAC at 33%.

Regional breakdown of collaborative engagement



Our descriptions of collaborative engagements respect the confidentiality expectations of the individual initiatives.

Engaging collaboratively with a Brazilian bank on climate issues (TRPA)

Itau	
Company Description	Itau is a Brazil-based bank.
Focus	Environmental
Asset Class	Fixed Income
Country	Brazil
Engagement Objective	We joined a group ESG investor meeting as part of the Emerging Market Investor Alliance (EMIA) to conduct due diligence on (1) the bank's integration of environmental and social risks within its lending standards and (2) its strategy to decarbonise the balance sheet.
Collaboration Partner	Emerging Market Investor Alliance
Background	As described in last year's report, earlier engagement through the EMIA had confirmed our view that Itau is ahead of its Latin American peers in its climate strategy with the measurement of financed emissions across the entire wholesale loan book, but Itau falls behind global best practice in aspects relating to target setting and client engagement. In our 2023 engagement, we provided feedback on how the company could improve its practices.
Outcome	In the first quarter of 2024, the bank published its 2024 Task Force on Climate-Related Financial Disclosures (TCFD) climate report. It reflected the feedback that we had provided in our 2023 engagement, and we were pleased with the level of disclosure provided. The company had set financed emissions reduction targets for additional sectors and explained how they are assessing the climate maturity of their clients. Our credit analyst was a panelist alongside the bank's head of sustainability at a conference in September. As part of this, Itau published additional materials relating to its net zero strategy, which shows a continued positive direction of travel.

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Engaging with a dairy products producer on disclosure (TRPA)

Inner Mongolia Yili

Company Description	Inner Mongolia Yili is a large Chinese dairy products producer.
Focus	Environment
Asset Class	Equity
Country	China
Engagement Objective	This collaborative engagement followed a previous engagement with the company in 2022. T. Rowe Price participated in a group engagement with Inner Mongolia Yili alongside the Farm Animal Investment Risk and Return Initiative (FAIRR) and other investors. The objective of the 2024 collaborative engagement with the company was to impart best practice and follow up on the feedback we had provided in 2022.
Collaboration Partner	FAIRR
Background	As outlined above, we engaged with Inner Mongolia Yili to follow up on feedback we had given during a previous engagement in November 2022. In the 2024 engagement meeting, we wanted to follow up on several environmental, social and governance (ESG) topics that we had discussed in 2022. These included: – Measure and disclose its groupwide Scope 1–3[1] emissions – Disclose its near-term emissions reduction targets on top of its long-term carbon-neutrality goal – Measure and disclose its groupwide water consumption data – Disclose its water reduction goals – Disclose its sustainable packaging goals We also wanted to discuss deforestation and antibiotic use.
Outcome	When we engaged with Inner Mongolia Yili in 2024, we followed up on the points outlined above. On climate disclosure, the company explained that measuring and disclosing Scope 3 emissions remains a challenge. The company has only managed to collect data on 5% of its total Scope 3 in 2023 and aims to provide the full disclosure by 2030. A new timeline of 2030 was therefore proposed, with a follow-up on progress due in 2026. In terms of the company's decarbonisation strategy, in addition to its 2050 carbon-neutrality goal, Inner Mongolia Yili has set some near-term targets. Whilst these targets are not in line with the Science-Based Targets initiative's (SBTi) 1.5°C pathway, the company has already submitted some science-based targets to the SBTi for approval. We continued to encourage the company to work towards setting a net zero target. On water management, Inner Mongolia Yili has recently started disclosing its groupwide water usage data. Its water consumption per ton of product has been following a downward trend since 2020. In addition, the company has also disclosed its 2025 water reduction targets, most of which it has already achieved. The company is in the process of updating targets, which it will disclose in its report next year. With regard to sustainable packaging, Inner Mongolia Yili has set and disclosed some 2025 goals to reduce plastic use in its packaging, which we think is a good first step, but we do not think the targets are ambitious enough. We will continue to engage with the company on the topic and encourage it to set more ambitious goals to bring it in line with global best practice. On deforestation, Inner Mongolia Yili is committed to zero deforestation by 2030, which includes a deforestation-free supply chain across soy, palm oil and pulp and paper. This follows a push from its investors who are committed to zero biodiversity loss. The company is assessing the deforestation risks of its raw materials and requesting suppliers to sign a zero-deforestation commitment with it. In terms of antibiotic use, the company's focus is on complying with regulations and enhancing awareness of antibiotic reduction of its partner farms rather than prohibition. We encouraged the company to work towards setting a groupwide responsible antibiotic use policy. Inner Mongolia Yili mentioned that it is working closely with FAIRR to improve on this topic. Its aim is to set a groupwide responsible antibiotic use policy, with a proposed timeline of 2026. The group engagement not only helped us to impart our views on several ESG issues, but also confirmed that the company has made some positive progress on ESG disclosure and preparedness following our engagement with it in 2022. Inner Mongolia Yili still has some way to go before being in line with global best practice, and we will continue to assess progress via the collaborative engagement.

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[1] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Engaging with a food company on biodiversity, waste and pollution (TRPA)

Maple Leaf Foods	
Company Description	Maple Leaf Foods is a sustainability-driven Canadian company that produces meat and plant-based products.
Focus	Environment
Asset Class	Equity
Country	Canada
Engagement Objective	As part of a collaborative engagement initiative run by Farm Animal Investment Risk and Return Initiative (FAIRR), we engaged with Maple Leaf Foods to provide feedback on best practices for disclosure on biodiversity, waste and pollution.
Collaboration Partner	FAIRR
Background	Part of our engagement with Maple Leaf Foods focused on the company's approach to how it measures and oversees nature-related risks. Maple Leaf Foods intends to conduct an initial nature-related risk assessment in the coming year (which will follow guidance set out by the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science-Based Targets Network (SBTN)). This will encompass considerations related to land degradation, deforestation, soil pollution, water stress and water pollution throughout Maple Leaf Foods' entire supply chain. The first results from this assessment will be disclosed in the company's response to the Carbon Disclosure Project (CDP) Forests questionnaire in 2024. By operating in animal agriculture, Maple Leaf Foods' business model has significant nature-related impacts and dependencies, and we therefore articulated our interest in this planned disclosure. The company believes the Board is generally well informed about climate risk and the company's decarbonisation strategy, but improving directors' understanding of biodiversity and nature-related risks (particularly for the sustainability committee) is an area of focus. In addition to oversight at the sustainability committee level, the company also noted that the chief food safety officer provides regular updates to the senior leadership team meeting on sustainability (including on biodiversity). We suggested that the company provide additional qualitative context on environmental, social and governance oversight and the sustainability committee's focus on nature-related risks. As part of our collaborative engagement, we also discussed several initiatives that the company is pursuing to reduce its nature-related impacts. For example, more effective manure management is a key lever to both reduce Scope 1–2[2] emissions and reduce the negative nature-related effects (e.g., on waterways) related to ineffective waste management. Maple Leaf Foods is investigating using anaerobic digestion to reduce emissions from lagoons in the summer months. This would produce digestate, which could then be applied to fields instead of raw manure—this in turn enables more effective application of nutrients. Renewable natural gas is a byproduct of anaerobic digestion, and thus this process also improves the circularity of animal waste management. When operating in Canada, winter temperatures (which prevent the operation of biogas generators) are a key hurdle. We encouraged the company to provide more information on its progress in this area in future sustainability disclosure (e.g., in relation to the cost profile of this approach and key feasibility barriers)—because we noted that the information covered during the engagement is not currently included in the company's sustainability disclosure. In collaboration with Nutrien, Maple Leaf Foods has also developed and implemented a regenerative agriculture pilot that incentivises farmers through proof of positive outcomes based on practice improvements (e.g., related to nutrient management). The company has established a target that 75% of pig feed used in the company's own operations will be sourced from farms with at least one regenerative agriculture practice. The company noted that one of the key challenges to achieving this target was persuading farmers to adapt to new practices.
Outcome	The engagement allowed us to impart our view on best practices for disclosure on biodiversity, waste and pollution. It also informed our view of the company's approach to this topic, which appears stronger than that of industry peers. We have signed up to the next cycle of engagement with Maple Leaf Foods in 2025, which will focus on requesting the company add more quantitative disclosure of nature-related risks.

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[2] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Focusing on boosting Board diversity at Victrex (TRPA)

Victrex	
Company Description	Victrex is a UK-based specialty chemicals company.
Focus	Governance
Asset Class	Equity
Country	UK
Engagement Objective	We engaged with Victrex to discuss Board diversity, following up on an engagement we had with the company in 2023 as part of our involvement in the 30% Club UK Investor Group Race Equity Working Group.
Collaboration Partner	The 30% Club UK Investor Group
Background	The Parker Review was a UK government-endorsed initiative to boost Board diversity. The review called on FTSE 100 companies to appoint at least one director from an ethnic minority by the end of 2021 and FTSE 250 companies to appoint at least one director from an ethnic minority by the end of 2024. In the 2023 engagement, Victrex committed to appointing a Board member from an ethnic minority background by the end of 2024, in line with the Parker Review's recommendations.
Outcome	In May 2024, Victrex announced the appointment of a female director from an ethnic minority background. The new Board member's background in health care aligns well with the company's strategy of doubling its medical business over the next five years. As the company is compliant with the Parker Review's expectations by the 2024 deadline, the engagement is considered closed.

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T. Rowe Price memberships and associations[3]

T. Rowe Price has joined or led the following initiatives to bring investors together for purposes of advocacy and engagement.

	Organisation	Status	Joined
GLOBAL INITIATIVES AND STANDARDS			
	Principles for Responsible Investment	Signatory	2010
	International Corporate Governance Network (ICGN)	Member	2021
	IFRS Sustainability Alliance	Member	2021
	UN Global Compact	Signatory	2021
	ESG Integrated Disclosure Project (ESG IDP)	Supporter	2022
	International Capital Market Association (ICMA) Principles Executive Committee	Member	2024
REGIONAL INITIATIVES AND STANDARDS			
UK	UK Stewardship Code	Signatory	2020
UK	UK Investor Forum	Founding Member	2017
UK	30% Club Investor Group–UK Chapter	Member	2021
The Netherlands	Eumedion	Member	2024
US	Council of Institutional Investors (CII)	Associate Member	1989
US	International Endowments Network (IEN)	Investment Management Member	2023
Canada	Responsible Investment Association of Canada	Associate Member	2023
Asia	Japan Stewardship Code	Signatory	2014
Asia	Asian Corporate Governance Association (ACGA)	Member	2016
Asia	Japan Stewardship Initiative	Founding Member	2019
Asia	30% Club Investor Group–HK Chapter	Member	2024
Asia	Impact Consortium Japan	Member	2024
Emerging Markets	Emerging Markets Investors Alliance	Member	2020

[3] As of December 2024, at least one T. Rowe Price entity (TRPG, TRPA, TRPIM and/or OHA) is a member of the organisations listed above.

T. Rowe Price memberships and associations (continued)

Organisation	Status	Joined
CLIMATE RELATED		
Institutional Investors Group on Climate Change (IIGCC)	Member	2020
Task Force on Climate-Related Financial Disclosures (TCFD) Framework	Supporter	2020
TCFD Consortium (Japan)	Member	2021
Net Zero Asset Managers initiative	Signatory	2022
Initiative Climat International (iCI)	Signatory	2022
Investor Group on Climate Change (Australia)	Full Membership	2023
THEMATIC ENGAGEMENT		
Farm Animal Investment Risk and Return (FAIRR)	Member	2020
Access to Medicine Foundation	Member	2020
Access to Nutrition Initiative (ATNI)	Signatory	2022
Taskforce on Nature-related Financial Disclosures (TNFD) Forum	Member	2022
ESG Integrated Disclosure Project	Founding Member	2023
IMPACTING INVESTING		
Responsible Investment Association Australasia (RIAA)	Member	2020
Global Impact Investing Network (GIIN)	Member	2021
Japan Impact-Driven Financing Initiative	Signatory	2022
Impact Consortium Japan	Member	2024

Memberships in working groups

Where appropriate, senior members of our ESG Investing and Governance teams take leadership roles in investment industry initiatives and working groups to help shape best practice. A selection of these are listed below.

Organisation	Status	Joined
WORKING GROUPS		
European Leveraged Finance Association–ESG Committee	Member	2019
Loan Syndications & Trading Association (LSTA)–ESG Committee	Member	2019
Alternative Credit Council–Global Responsible Investment Committee	Member	2020
Investment Association Climate Change Working Group	Member	2020
ACGA Japan Working Group	Member	2020
Pensions and Lifetime Savings Association (PLSA) Stewardship Advisory Group	Member	2020
Investment Management Education Alliance (IMEA) ESG Committee	Member	2021
ACGA China Working Group	Member	2022
ICMA (Impact Reporting, Social Bonds, Climate Transition Finance Sustainability-Linked Bonds)	Member	2022
Taskforce on Nature-related Financial Disclosures (TNFD)	Forum Member	2022
GC100 and Investor Group–Directors' Remuneration Reporting Guidance	Member	2023
IIGCC (Sovereign Bonds and Country Pathways Working Group, Derivatives and Hedge Funds Working Group)	Member	2023
PRI's Sustainable Systems Investment Managers Reference Group (SSIMRG)	Member	2023
ACGA India Working Group	Member	2024
PRI Private Debt Advisory Committee	Member	2024
PRI Sovereign Debt Advisory Committee	Member	2024
Eumedion Investment Committee	Member	2024

Closing reflection

In 2024 we are seeing a greater focus by investor initiatives on policy advocacy rather than company-specific dialogues. This trend aligns with our focus on sovereign engagements, but this could become a concern if this means we are losing a key escalation route for companies with contentious governance arrangements. We do not see a comparable scarcity of thematic dialogues on sustainability topics.

PRINCIPLE 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

Our approach to escalation

Our escalation approach in equities

Essentially our approach to escalation takes a case-by-case approach, tailored to the company's specific situation. Typically, we follow a three-step process when deciding how to proceed.

1
Issue identification
- Events or decisions that bring into question company performance

2
Issue evaluation
- Portfolio manager and analyst review cause for underperformance
- Responsible Investing and Governance team perspectives

3
Escalation
- Divestment an option—but not taken lightly
- Potential to vote against management
- Potential to re-weight the security in the portfolio

1. **Issue identification:** We may conclude that a series of events or decisions on the part of a company's management or Board has reduced the probability that our investment in the company's securities will generate the returns we expected.

2. **Issue evaluation:** At that point, the investment analyst and the portfolio manager(s) will discuss the root cause of the underperformance. Frequently, we see a cluster of related issues, some of which may be ESG related; if so, the relevant members of the Responsible Investing and Governance teams will also be asked to provide input. Similarly, if a company is involved in egregious misconduct relating to environmental, labour or human rights abuses or corruption, the Responsible Investing and Governance teams may raise the issue for escalation.

3. **Escalation:** As an active manager, our ultimate escalation is to sell the stock. However, this decision is not made lightly. Whilst the investment analyst will have a perspective on a company's situation, the ultimate decision on how to escalate—whether that be to vote against the directors if the company is held in an equity strategy or to divest—sits with the portfolio managers. Over/underweighting is another tool at our disposal. When an ESG risk or benefit is identified, it may cause the portfolio manager to adjust his or her weighting of the holding.

Given their different mandates, there may be a range of views amongst the portfolio managers responsible for the T. Rowe Price holding on the shareholder register of a single company. In practice, we have a bottom-up approach to escalation which seeks to build a consensus on next steps between the holders of a particular security at a point in time. Some portfolio managers may choose to sell whilst others continue to hold, and so members of the core T. Rowe Price holders' group may change over time, which can also influence the approach.

How we decide when to escalate an engagement

We may choose to escalate an engagement if our investment teams are frustrated with the dynamic of an existing dialogue but remain convinced by the long-term potential of the stock. Escalation could also be triggered if the company has failed to meet an engagement target within a reasonable time period. When deciding whether to escalate, we would consider any client questions either on the company or on the thematic issue. We are most likely to seek to escalate an engagement, rather than sell the position, where:

- We own a substantial amount of the company's share capital and intend to remain long-term owners.
- We have general agreement amongst our portfolio managers as to the nature of the concern and potential solutions.
- We believe there is a reasonable probability that the company's leadership will enter constructive dialogue with us and seek to address the issue in question.

Escalation case studies

Sometimes escalation can refer to a long-running engagement in which our portfolio managers and investment analyst are actively engaged. The governance dialogue with Prosus and Naspers is structured around an annual meeting with a non-executive director ahead of the AGM, and periodically we will write to the whole Board to share our perspective on key topics. The governance discussions run in parallel with the investment analyst's ongoing dialogue with the management team on strategy and performance topics.

Engaging on long-standing remuneration concerns (TRPA)

Naspers Ltd and Prosus NV

Focus	Governance
Company Description	– Naspers Ltd is a South African multinational with media, e-commerce and venture capital businesses. – Prosus NV is a Dutch multinational which holds Naspers' international internet assets. Both companies share the same Board and remuneration framework.
Asset Class	Equity and Fixed Income
Country	South Africa and the Netherlands
Engagement Objective	In June 2024, we sent a letter to the Board to strongly encourage the Human Resources and Remuneration Committee to consider reintroducing a discount-linked instrument given the appointment of the new chief executive officer (CEO), Fabricio Bloisi, from 1 July 2024. We also attended a group meeting later in the summer with other investors and the committee chair in order to inform our voting at the 2024 annual general meeting (AGM).
Background	We discussed this long-running dialogue in last year's Stewardship Report. At the 2022 annual general meetings, the companies introduced a nonstandard remuneration structure which we supported as it aligned management's interests with those of shareholders. We were disappointed to see the companies return to a more conventional pay framework at the 2023 AGM and so voted against the remuneration report. However, after the meeting with the committee chair ahead of the 2024 AGM, the company added a specific target to the CEO's fiscal year 2025 (FY25) short-term incentive (STI) to improve the holding company discount in FY25 with a 15% weighting. Despite this step forward, long-running issues with regard to remuneration structure at the company remain. The opaqueness of the Share Appreciation Rights portion of the long-term incentive plan and the quantum in the EMEA context remain a concern in 2024. The TRPA custom policy recommended holders vote against multiple items, but we took a more supportive view, given the addition of the discount target in the CEO's STI. However, on the remuneration policy, we could not get comfortable with the opaqueness of the valuation methodology for the Share Appreciation Rights, given the quantum of the reward being unlocked.
Engagement Outcome	At the 2024 AGMs of Naspers and Prosus, T. Rowe Price Associates, Inc. (TRPA), voted AGAINST the remuneration policy, as the reintroduction of the Share Appreciation Rights brings back the long-standing issues with opaqueness. The remuneration policy passed with 88% support at Naspers and 83% support at Prosus.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

How we engage after a controversy

Our approach to engagement may vary according to the type of issue, such as financial concerns or ESG controversies. Key questions in the handling of any serious ESG controversy are:

- What did the Board know?
- When did it become aware?
- What is it doing to remediate the issue?

It is important that companies communicate clearly and openly to all stakeholders, including shareholders, during a crisis. Companies often hold a group meeting for investors to set out their perspective—we see these as valuable opportunities to compare what the company is telling us in individual meetings with what it says in front of other investors. One of our escalation strategies is to look for the opportunity to join a collective engagement with the company through a third-party initiative, where we believe the dialogue will constructively raise issues of concern.

However, this year the escalation examples we discuss are two high-profile contested elections where we engaged directly. We took an escalated role in this situation because of the large size of our investment and a conclusion that we were in a position to shape a better outcome for the company and shareholders.

Taking action to safeguard investor representation (TRPA)

Klabin

Focus	Governance
Company Description	Klabin is a Brazilian integrated producer and exporter of packaging papers, including containerboard and corrugated boxes.
Asset Class	Equity
Country	Brazil
Engagement Objective	The issue of concern is ensuring adequate independence on the Board of a family-controlled company, as there are conflicts between the public shareholders' interests and those of the founders' family. These include the way capital is allocated and selecting the executives who should be managing the company.
Background	We had concerns about the direction of the Board at this family-controlled company. The Klabin Board is very large, and many of its members have no or little business experience. This is due to the controlling family's decisions to place a new generation of members onto the Board. Others are classified as independent directors but have strong social ties to the family. We have spoken to management about these concerns a number of times, and we have regularly engaged with the Board's few independent members about it.
Analysis	It is customary in Brazil for a company's largest investor to take on the responsibility to formally nominate certain independent directors and representatives of the preferred shares. However, it is unusual for foreign investors to take up this assignment, and it was the first time that T. Rowe Price had taken this step. We were compelled to take the lead when it became clear that the alternatives being proposed by local investors were suboptimal. A group of local investors had determined that the incumbent independent directors were losing their effectiveness due to regular conflict with other Board members. Out of concern for the deteriorating corporate governance and performance at the company, we decided to sponsor the reelections of two independent directors (Isabella Saboya de Albuquerque and Mauro Gentile Rodrigues da Cunha) by nominating our own slate. In support of our nominations, we met with the local investor group that had proposed the competing slate. We also met with the company's other minority shareholders who requested to engage with us on the election. We believe we served an important defensive role for Klabin's outside stockholders. The candidates we nominated were both elected to the Board, one by a 3:1 margin and one by a 5:1 margin.
Outcome and Future Escalation Options	This escalation was atypical for us but, given local practices in Brazil, we would consider nominating our own slate again in the future if we had corporate governance concerns. We believe our participation in the nomination process came as a surprise to management and to the local investor group, and it opened up more opportunities over the course of the year to engage directly with senior management and additional Board members about our underlying concerns about the company's performance and the Board's composition.

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Taking on escalated responsibility in a contest (TRPA)

Southwest Airlines

Focus	Governance
Company Description	Southwest Airlines is a US passenger airline company.
Asset Class	Equity
Country	US
Engagement Objective	In accordance with our publicly disclosed policy on shareholder activism, there are occasions when TRPA takes a more active role in contested elections that come about as a result of an activist campaign by another investor. Southwest Airlines was one such example this year. We took an escalated role in this situation because of the large size of our investment and a conclusion that we were in a position to shape a better outcome for the company and shareholders.
Background	In August, Elliott Management disclosed a large holding in the company and a list of demands, which included the replacement of the chief executive officer (CEO) and a majority of the Board, operational improvements, marketing changes and adjustments to the company's unique and long-standing corporate culture. The Southwest bylaws allow for shareholders with a 10% stake to convene a special meeting to take actions, including the replacement of directors. Special meetings are rarely called in the US market and are used in cases where the matters to be voted are so urgent that they cannot wait until the company's next annual general meeting. Eventually, that is the course this campaign took, with Elliott submitting a demand for a special meeting in mid-October.
Analysis	As one of the company's largest active shareholders, we recognised Southwest was experiencing a prolonged period of underperformance, missed opportunities, operational issues and suboptimal Board composition. However, we became concerned that the remedies being promoted by the activist would be highly disruptive to the company and could potentially derail the airline's long-term recovery plan. Our perspective was the Board had already committed to a meaningful level of change—in Board composition, financial management, technology investment and strategy. We felt the company should be afforded enough time to determine whether these changes produced improved performance. For this reason, when Elliott announced its intention to proceed with a special meeting, we became concerned that the contest would be an unwelcome distraction for management at a time when their focus needed to be on execution of the stated plan. Whilst we do not take an escalated role in every contested situation, in this case we believed our familiarity with the activist investor as well as our long history as investors in the company might put us in a position to help the parties reach a constructive outcome. During the third and fourth quarters of the year, we spoke multiple times with Board members, company management, outside advisers and the Elliott team, offering our recommendations for a potential path to settlement.
Outcome and Future Escalation Options	This situation was atypical for us but, given our concerns that an off-cycle proxy fight would result in bad outcomes for the company and shareholders, we felt escalated participation in the process was prudent. The outcome was a settlement between the parties. A total of eight new directors are on the Board, with five coming from the pool of Elliott nominees. The CEO remains in their role, but the Board's chair will leave the company earlier than planned. Overall, we were pleased that a contest was averted, but we found the specific details of the settlement to be less than optimal. Going forward, we would consider adding a public statement to our escalation plan if we should find ourselves in similar circumstances.

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Litigation as a last resort

As a last resort, we will consider commencing legal action to recover shareholders' funds when we believe that the Board has acted inappropriately or negligently. One such legal case was outstanding at the end of 2024. This does not include our participation in class action suits.

Escalation considerations in fixed income

The escalation path for fixed income features some variations. For both ESG-labelled bonds and traditional bonds, T. Rowe Price analysts continuously monitor issuer performance. In the case of underperformance or if environmental or social targets are not met, analysts have several options.

They will seek to gain a better understanding using publicly available information. Typically, this is followed by a meeting with the issuer accompanied by T. Rowe Price portfolio managers and/or a Responsible Investing associate to understand the cause of the underperformance and provide guidance if necessary. The aim of the meeting is to assess whether the underperformance is temporary or structural. That engagement, as well as additional checks of publicly available information, is designed to assess if the underperformance is something that will correct over time or is structural in nature.

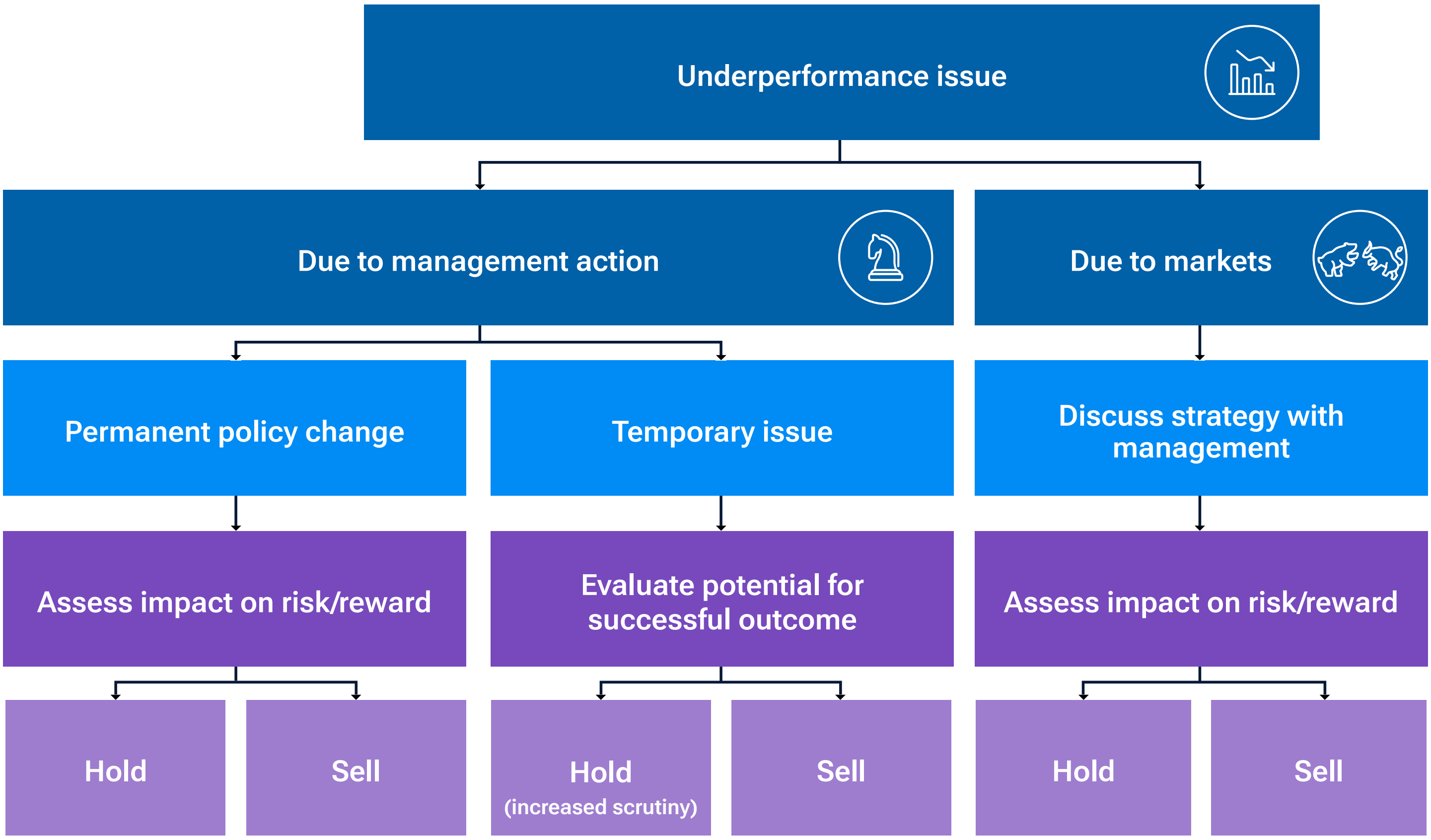
If the underperformance proves to be structural, this may lead the portfolio manager to sell the respective bond. The nature of the underperformance is something that also determines next steps. If it is due to the issuer's action, we work with them to understand if this is a permanent policy change or a temporary issue that they are taking steps to rectify.

If it is a permanent policy change, having assessed the impact of that change on the investment risk/reward, we will decide whether to maintain a holding or seek to sell.

If it is a more temporary issue, we will seek to understand the probability of a successful course correction before deciding whether to hold or sell. If we decide to hold, the analyst will increase creditor scrutiny, with frequent management engagement and credit updates to ensure that the underperformance genuinely is temporary.

For more permanent market-driven underperformance, we will discuss the issuer's perspective on strategic next steps. If we deem those steps to be potentially damaging to bondholders (such as looking for a transformative debt-funded merger and acquisition), we will ultimately look to sell the investment where that risk is not adequately priced.

Evaluation of underperformance and decision options



The example below sets out how we participated in the restructuring of Zambian bonds, alongside other bondholders.

Zambia: Restructuring debt after default (TRPA)

Asset Class	Fixed Income
Background	Zambia had previously experienced a traditional balance of payments crisis and default in 2020.
Analysis and Outcome	Following a period of heightened external borrowing, exacerbated by adverse internal and external shocks, Zambia experienced a traditional balance of payments crisis and default in 2020. T. Rowe Price, working off our bottom-up fundamental research, had successfully avoided the default to the benefit of our clients. Subsequently, post-default, T. Rowe Price became involved to improve client outcomes, and in line with our bondholder escalation process, we participated in the Zambia bond restructuring. Zambia's restructuring lasted three and a half years, as bondholders had several rounds of discussions with the country during this period. This escalation process ultimately led to a bondholder-positive outcome in 2024, guided throughout by various operational frameworks such as the IMF's Low-Income Country Debt Sustainability Framework (LIC-DSF). Once the deal was finalised, Zambia bond prices rallied. This is considered to be an escalated engagement by our fixed income analysts, due to the duration and complexity of the restructuring process.

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Communication as an escalation strategy

In many cases, a period of engagement is sufficient to encourage a company to address areas of concern. However, on rare occasions we may decide to share our concerns via a public statement. TRPA selectively shares our voting intentions either just before or around the AGM via a number of proxy voting case studies. The votes are selected either because they are unusually contentious or otherwise particularly illustrative of a key voting theme. Examples of voting case studies can be found in Principle 12.

Escalation strategy at TRPIM

Using the vote post-engagement (TRPIM)

ProAssurance Corporation

Focus	Governance
Company Description	ProAssurance Corporation (ProAssurance) is a risk management and claims defence company with a license to write business across the United States. The company provides medical professional liability insurance to policy holders throughout the United States.
Asset Class	Equity
Country	US
Engagement Objective	We engaged with ProAssurance regarding concerns we had about the company's operational performance, capital allocation and value creation.

Using the vote post-engagement (TRPIM) Continued

Background	**Letter to the Board** In the first instance, we wrote to ProAssurance's Board and Board chair to establish a contact on the Board, facilitate an ongoing dialogue with the Board and outline our concerns on operational performance, capital allocation and value creation. We shared our belief that the company was not driving the outcomes for shareholders that it should be. In both its property and casualty and worker's compensation segments, the company had gone from a trend of historic outperformance to material underperformance in recent years. Additionally, ProAssurance's capital management strategy did not appear to have created value for shareholders. Finally, the company ranks in the bottom quintile for value creation versus its peers over a 10-year period, with most of the underperformance having occurred since 2018–2019. We also shared our concern around Board composition, in terms of a lack of directors with direct insurance experience from prior employment. **Engagement with Board chair** The Board chair stood behind the chief executive officer, stating that he was doing a terrific job trying to turn things around, though he acknowledged the need to improve communication with investors. After being pushed, he also acknowledged that returns were weak. From his view, the lever for moving the stock in a material way was a return to robust profitability. His view was that when the TeamHealth matter was announced, the market overreacted and the stock price collapsed. He expressed his belief that investors were waiting to get back into the stock until they saw a return to profitability. He shared that he would look at current-year loss ratios relative to peers and how much rate ProAssurance is getting to assess if the company is heading in a positive direction going forward. We discussed Board composition and the lack of insurance expertise on the Board. The chair shared that the Board is working on refreshment and we should see details in the proxy.
Engagement Outcome	We wrote to the Board around Board oversight of management and strategy and Board composition, engaged with the chair and then used our vote. We considered that the company's response to engagement was not sufficient to give us confidence in Board oversight. Further, in terms of the Board refresh later announced in the proxy, we considered this as insufficient (continued local focus and not fully applicable experience by insurance business area). As such, we further escalated post-engagement using our vote and withheld support for all directors on the ballot. The directors were elected, though with below-market average support of around 90%.

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Closing reflection

Our approach to escalation remains unchanged from what was disclosed in the 2023 Stewardship Report. We continue to use public communication, perhaps through a voting case study, or letters to the Boards of companies as an escalation option.

PRINCIPLE 12

Signatories actively exercise their rights and responsibilities.

Active stewards of our clients' assets

We tailor our approach to stewardship by asset class.

The table below details our process for fixed income and listed equities.

Oversight by asset class	
Equities	The Investment team typically: – Understands the governance practices, incentives and Board quality of corporate issuers – Assesses environmental, social and governance (ESG) issues upon initiation of a new investment, if they are deemed material – Monitors for changes and highlights any concerns about these issues in their research reports, which are distributed internally – Considers governance practices holistically at least once a year in the runup to the annual general meeting (AGM), in conjunction with the Governance team – Expresses our views on company performance at the AGM through our votes – Uses the opportunity in the offseason ahead of the next AGM to understand how the company is considering the feedback from shareholders on its performance – Provides guidance to unlisted equity investments, as they near their first public offering, on ESG disclosure frameworks, Board composition, remuneration, shareholder rights and managing communications with public investors
Fixed Income	The Investment team typically: – Understands the governance practices, incentives and Board quality of corporate issuers – Understands the governance practices, institutional (state and society) checks and balances and overall environmental quality of sovereign issuers – Assesses ESG factors upon initiation of a new investment – Monitors for changes and highlights any concerns about these issues in their research reports, which are distributed internally – Participates in a key engagement at the start of our due diligence, before investing in a bond issuer, when we review the documentation with the aim of assessing the level of creditor protection offered – Engages when an issuer is seeking to amend the terms in the bond documentation for an existing bond – Engages in the event of an impairment scenario

Our process in fixed income

As part of extensive due diligence before investing in a bond issuer, a T. Rowe Price analyst reviews bond documentation to assess the level of creditor protection that the documentation offers. If the covenant package or transaction structure proves to be weak, the analyst has several options. In the case of prospective new issue bonds, the analyst can highlight the weak structures with the portfolio manager and fixed income legal team, who may choose not to invest. Alternatively, potential remedies include providing feedback directly to the bond issuer or requesting amendments to the terms and conditions of the indentures with the syndicate arranging the transaction. When an issuer seeks to amend terms of securities we already hold (such as to relax or waive covenants), the analyst and portfolio manager assess the implications of the proposed amendments to determine how to vote on them. If required, the analyst will reach out to the issuer for additional publicly available information and engage other bondholders, internal and external counsel and other external sources to make a well-informed vote that is in the best interests of our clients.

When an issuer seeks to amend terms of securities we already hold, T. Rowe Price acts in the best interests of the client in scenarios where we risk impairment. Dedicated fixed income research specialists focus exclusively on understanding, negotiating and maximising our legal and economic interests when issuers face difficulty or attempt to impair our rights. We also have dedicated in-house legal resources and use outside advisers in these situations. T. Rowe Price participates, via the respective analyst and other specialists, in discussions and negotiations with other bondholders and issuers to achieve the best outcome for our clients.

Our process in listed equities

Our voting process considers both high-level principles of corporate governance and the circumstances specific to each entity. It includes significant involvement by investment analysts and portfolio managers. Our overarching objective is to cast votes in a thoughtful, investment-centred way to foster long-term success for the entity and its investors.

When deciding how to vote on a particular proxy, our governance specialists and industry analysts review the guidelines, with input from the Responsible Investing team if applicable, prior to sending their recommendation to the portfolio manager. Should a portfolio manager wish to cast a vote that is counter to the guidelines, they are required to document their reasons in writing to the relevant ESG Investing Committee.

Proxy voting is a critical component of our approach to corporate governance. We offer our clients a high degree of transparency related to the votes we cast on their behalf. Unless otherwise stated, everything in this Principle 12 refers to TRPA.

How our custom voting policy uses the default recommendations of proxy advisers as an input

T. Rowe Price maintains four different sets of custom voting guidelines, defined by T. Rowe Price and administered with the assistance of ISS. These are the T. Rowe Price Associates, Inc. (TRPA), custom voting policy, the T. Rowe Price Investment Management, Inc. (TRPIM), custom voting policy, the impact voting policy and the TRPA net zero voting policy. The TRPA voting policy has regional variations for the Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific (APAC) regions, whilst the TRPIM policy is focused on the Americas, given the geographic concentration of the holdings of that adviser.

The TRPA and TRPIM custom policies are underpinned by the good practice expectations from local corporate governance codes and other market norms. As many of these expectations are widely held, 88% of our annual voting outcomes in the 12 months ended 31 December 2024 were aligned with the Board's recommendations. ISS is typically aligned with management as well, given the routine nature of most resolutions. For full TRPA voting data, please see pages 139 to 146.

Example of a change to our voting policy in 2024 aligned with the ISS benchmark

In terms of voting policy, there are certain issues where we conclude the benchmark policies do not reflect a high enough standard and other situations where we find the benchmark policy goes beyond reasonable expectations. These differences are reflected in our custom policy. In other cases, our approach evolves, and we come to agree with the benchmark policy and therefore adopt it.

One significant change for 2024 was the reintroduction of the return on equity (ROE) guideline for Japan. This was a long-standing feature of the ISS benchmark policy, which had been paused during the coronavirus pandemic. The guideline recommends a vote against top management when the company has posted average ROE of less than 5% over the last five fiscal years.

Examples of the TRPA custom policy differing from the ISS benchmark

Global
Single-gender Boards: Since late 2021, we have had a global single-gender Boards voting policy in place. Our standard is higher than the benchmark: ISS still does not recommend investors vote against the election of directors at companies with no female Board representation in many markets.

In 2024 we voted against 67 companies in China for having single-gender Boards.

Regional
Combined chair and CEO: ISS generally recommends a vote against the (re)election of a combined chair/CEO at widely held European companies. We take a more regionally focused view where this is a common feature of the market, as in France, and may support, absent other concerns.

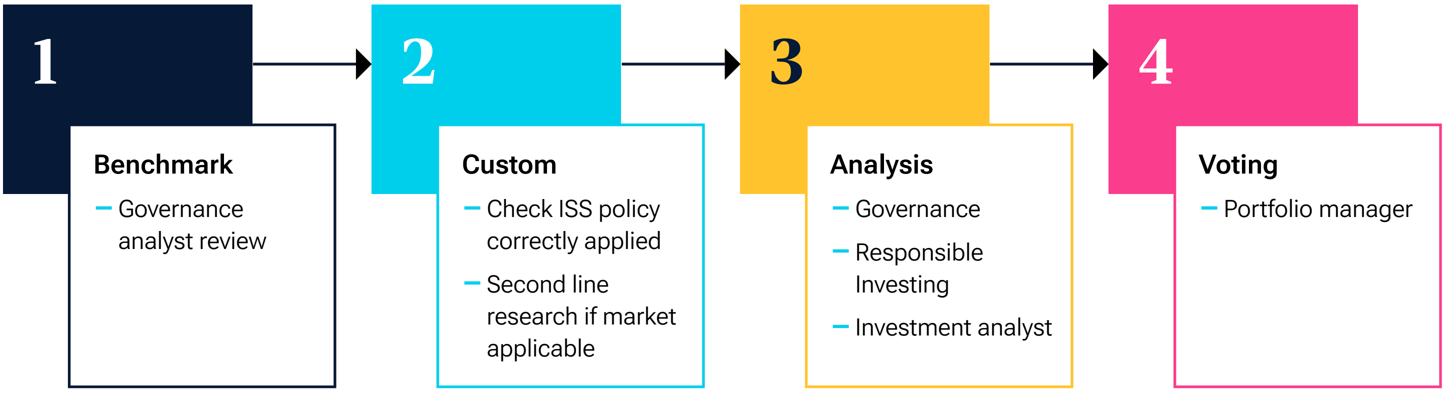
Research packets delivered for each meeting on the proxy voting platform contain at least two pieces of research.

- The Benchmark Research—contains voting recommendations and supporting analysis in line with the relevant ISS regional policy
- The Custom Policy—contains only vote recommendations and a supporting rationale

Four-step process for proxy decision-making

The four-step process in the chart below illustrates how the research helps TRPA decide how to vote at portfolio companies. A governance analyst first reviews the ISS benchmark to understand the relevant facts and then checks that ISS has implemented our custom policy correctly. If this is a meeting where we currently have a second line of proxy research (IIAS for Indian companies, ZD Proxy for companies in China and ISS Climate Policy for the TRPA net zero voting policy), the other proxy research will also be reviewed. Proprietary data, which reflects our house perspective rather than that of ISS, also drives our custom voting policy. The third step is for a governance analyst to undertake any further research, which could include reviewing company disclosures, the company track record and how we voted on similar items at the company in prior years.

If there are material environmental or social topics at the company relevant to a particular resolution, such as a sustainability-related shareholder resolution, these will be discussed with the responsible investing analyst who covers this sector for the region. A governance analyst will then discuss any issues of concern with the investment analyst. If necessary, a meeting with the company will be arranged—as discussed under Principle 9—before a vote recommendation is agreed upon and put to the portfolio manager. All portfolio managers retain the ability to direct the vote on the holdings in their strategies as they see fit, because our view is the vote is an asset belonging not to our firm as a whole, but to the clients in each underlying investment strategy. As such, managers may choose not to align with the voting recommendations put forward by a governance analyst.



Although we aim for consensus where possible, there is no expectation that all portfolio managers will vote in the same way. The case study below describes an occasion where we saw split voting in 2024.

Example of a split voting decision (TRPA)

Tesla Inc.

Focus	Environment, Governance
Company Description	Tesla Inc. is a global leader in electric vehicles and an emerging player in clean energy generation and storage.
Asset Class	Equity
Country	US
Issue	The key issues were the management proposal to move the company's state of incorporation from Delaware to Texas (item 3) and the re-ratification of the 2018 options grant to Chief Executive Officer (CEO) Elon Musk (item 4).
Analysis	All TRPA portfolios voted FOR the company's proposal to move its incorporation to the state of Texas. Our general position on incorporation issues is, in cases where two jurisdictions offer essentially the same shareholder protections and neither is considered a tax haven, questions of incorporation should be left to the Board. That is the case when comparing Delaware and Texas. After engaging directly with the company's Board chair and conducting our own analysis, most TRPA portfolios voted FOR the compensation item. The reasoning behind the votes in favour of this ratification boiled down to two principles: – Fairness. Whilst the external narrative around this vote was focused on the current intrinsic value of the award (which is greater than US$40 billion), in our view that was not the central issue. We were owners of Tesla stock in 2018, and we conducted a thorough analysis at that time of the terms of the award. We concluded it was highly unlikely that all 10 tranches of the options grant would vest because the hurdles laid out by the Tesla Board's Compensation Committee were audaciously high. Nevertheless, they ultimately were all met well before the deadlines contained in the award, and there ensued a period of enormous value creation at the company, in which all shareholders participated. To oppose re-ratification of the award now, with the benefit of hindsight, struck these portfolio managers as fundamentally unfair. – Precedent. The original award was approved by 73% of Tesla's unaffiliated shareholders in 2018. The January 2024 decision by the Delaware Chancery Court to invalidate the award has led to significant instability and uncertainty for other Delaware-incorporated companies because it upends years of precedent and a common understanding amongst market participants about the authority of shareholders to determine for ourselves what is aligned with our interests. A vote FOR the re-ratification of the award does not mean that the options are available to Mr. Musk again. There are still many paths this litigation could take. However, the portfolio managers who supported this item agreed it was important for shareholders to reiterate our original support for the award in the hope that this result will be considered by the Chancery Court. One TRPA strategy voted AGAINST the options award and one strategy elected to ABSTAIN from voting on that item, with both portfolio managers citing concerns about the magnitude of the award as a primary concern.
Vote Outcome	At the Tesla Inc. shareholder meeting on 13 June 2024, T. Rowe Price Associates, Inc., on behalf of the T. Rowe Price funds and certain of its advisory clients, elected different voting options. All TRPA strategies voted FOR the management proposal to move the company's state of incorporation from Delaware to Texas. The item passed with 87% support. Most TRPA strategies voted in favour of the re-ratification of the 2018 options grant to CEO Elon Musk. One TRPA strategy voted AGAINST, and one elected to ABSTAIN. The item passed with 76% support.

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The overarching principle of TRPA's voting approach is that decisions are made considering the anticipated impact of the issue on the desirability of investing in the portfolio company. Proxies are voted solely in the interests of our clients, and a member of the Governance team reviews every vote. Whilst we find very few instances where our customised voting policies may have been applied incorrectly, reviewing every vote is an important part of our process because it allows us to develop a deep level of institutional knowledge on each individual company. How we would handle any quality issues with the service we receive from ISS is discussed under Principle 8.

Taking a different view from the ISS benchmark based on our engagement with the company

One topic on which we occasionally disagree with our proxy adviser is regarding the issue of remuneration, specifically around the use of special equity awards. Our perspective is that this is a nuanced area and a blanket response does not take into account exceptional circumstances in which a particular retention grant may be appropriate.

Escalating an engagement based on governance concerns (TRPA)

Taiyo Yuden	
Focus	Governance
Company Description	Taiyo Yuden is a producer of multilayer ceramic capacitors and other electronic components.
Asset Class	Equity
Country	Japan
Issue	The ISS proxy research saw the chief executive officer's (CEO) reelection as routine, but we wanted to hold the CEO to account for needlessly issuing a corporate bond which caused excessive dilution to the balance sheet.
Vote Outcome	At the 27 June 2024 annual general meeting of Taiyo Yuden, our investors voted AGAINST the reelection of CEO Katsuya Sase for poor capital management in the year under review. He was reelected with 98% support.

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Specialty voting

Separate sets of proxy voting guidelines are administered for the T. Rowe Price impact strategies and our strategies subject to an explicit net zero investment framework. These portfolios require separate voting policies because they have two explicit mandates: competitive financial returns alongside positive social and environmental impact or alignment with net zero goals, respectively. In order to meet these objectives, these portfolios may vote differently from other T. Rowe Price portfolios, particularly on director elections, say-on-climate resolutions and shareholder proposals. For our impact strategies, the focus on social equity may be reflected in certain remuneration votes. Our impact voting policy and net zero voting policy share guidelines on environmental and lobbying topics.

Implementation of the TRPA impact and net zero voting policies

Key guidelines include:

Election of Directors	We will vote against directors if we consider disclosure is too limited or the climate strategy is inadequate.
Shareholder Resolutions	Case by case: – Impact mandates expect to support shareholder resolutions which request improved ESG disclosures and practices. – Net zero mandates are likely to support shareholder resolutions which request improved climate-related disclosures and practices.
Company-Specific Issues	The portfolio manager may make other voting decisions, aligned with the investment objective of the strategy.
Say on Climate	Our approach to assessing the adequacy of a company's climate transition plan is a case-by-case analysis. We will pay particular attention to the level of disclosure including whether it is in line with Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, the current greenhouse gas emission reduction targets and the credibility of the company's decarbonisation strategy.

Differentiated vote by our impact strategies (TRPA)

AstraZeneca Plc.	
Focus	Governance
Company Description	AstraZeneca Plc. is a global biopharmaceutical company.
Asset Class	Equity
Country	UK
Issue	Our concerns were changes to the remuneration policy and the performance share plan. The company is seeking to increase the maximum long-term incentive plan grant from 650% of salary to 850%, at the same time as increasing the maximum bonus grant from 250% to 300%.
Analysis	We were consulted on the proposal in the offseason and recognised that this was a very large compensation package in the UK context. Under the voting guidelines for the TRPA impact strategies, a vote against the proposal would be warranted, because the chief executive officer's new long-term incentive plan (LTIP) grant is very high in the European context and is particularly contentious as it comes at the same time as a bonus increase of 50% of base salary. Impact strategies also voted against the last remuneration policy renewal at the 2021 annual general meeting (AGM), which increased the annual LTIP opportunity from 550% to 650% of salary. The impact strategies are particularly sensitive to quantum, given the importance of social equity in the impact framework. However, under the TRPA custom policy which is applied to our economically oriented funds or 'mainstream' strategies, we felt that the increase was reasonable, given the sustained share price performance under the current chief executive officer and the need for the company to have an attractive offer, especially given the majority of its peer set is US-based.
Vote Decision	Certain holders, including our impact strategies, voted AGAINST items 7 and 8. The remuneration policy and the performance share plan amendment passed with 64% and 65% support, respectively. However, TRPA's mainstream investment strategies voted FOR all items at the 11 April 2024 AGM.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

In 2024, the TRPA impact strategies supported 33% of shareholder proposals of an environmental and political nature. Such proposals are quite infrequent in these portfolios; in 2024 there were only nine such votes.

In 2024, the TRPA net zero strategies supported 48% of shareholder proposals of an environmental and political nature, out of a total of 133 such votes.

In 2024, the TRPA impact strategies supported 50% of shareholder proposals of a social nature. Such proposals are quite infrequent in these portfolios; in 2024 there were only fourteen such votes. We have not included a similar statistic for the TRPA net zero strategies, as the voting behaviour of these strategies is aligned with that of the mainstream strategies on social topics.

Whilst these strategies, as of year-end, represent a small percentage of our assets under management, we believe it is important that the clients who select these strategies have a proxy voting track record that reflects the dual-mandate investment objectives of these portfolios.

Vote in alignment for mainstream, net zero and impact (TRPA)

Li Auto Inc.

Focus	Environment
Company Description	Li Auto Inc. designs, develops, manufactures and sells premium smart electric vehicles.
Asset Class	Equity
Country	China
Issue	The company operates in a high-emitting sector but has not started reporting its material Scope 3[1] greenhouse gas emissions.
Analysis	We engaged with Li Auto to discuss its plans regarding climate disclosure and strategy. The company explained that reporting Scope 3 emissions has been challenging due to its complex supply chains. However, it is in the process of measuring Scope 3 emissions and aims to report them by 2026 as mandated by the Hong Kong Stock Exchange's climate disclosure requirement. The company has also started setting some energy intensity targets for its vehicles alongside some upcoming battery electric vehicle models. Li Auto stock is held across multiple types of TRPA strategies, which was another consideration in our voting decision. Under the voting guidelines for the TRPA impact and net zero strategies, a vote against the reelection of all incumbent non-executive directors would be warranted, due to the lack of full GHG disclosures. However, this guideline would not apply under the TRPA custom policy for our economically oriented or 'mainstream' strategies, which hold the majority of our investment in the company. We emphasised the importance of providing such disclosure and encouraged the company to start reporting the most material categories within Scope 3—use of sold products and purchased goods and services emissions. However, most Chinese original equipment manufacturers have not started providing Scope 3 emissions data, and therefore Li Auto does not appear to be an outlier in the local market. Additionally, China's national target for carbon neutrality is 2060 compared with 2050 in the European Union and other markets.
Vote Decision	Our mainstream, net zero and impact strategies voted FOR the reelection of the independent Non-executive Director Zhenyu Jiang (item 3), who was targeted by the impact and net zero policies for inadequate climate disclosure. Given the company's commitment to providing Scope 3 disclosure before a specific deadline, it was felt reasonable to give the company more time to address this issue. He was reelected with 93% support.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

[1] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Differentiated vote by our net zero strategies (TRPA)

Suncor Energy Inc.	
Focus	Environment
Company Description	Suncor Energy Inc. is a Canadian integrated exploration and production company.
Asset Class	Equity
Country	Canada
Issue	The company received a climate-related shareholder proposal (item 5) requesting that Suncor disclose audited results assessing a range of climate transition scenarios, released no later than the publication of the 2025 annual financial report.
Analysis	Suncor's existing climate-related disclosures are already strong, including a stand-alone climate report, a consideration of climate scenarios to stress test its business strategy and reporting of a Scope 1–3 emissions footprint. In March 2024, the Canadian Sustainability Standards Board (CSSB) launched a consultation on its Canadian Sustainability Disclosure Standard (CSDS) 2, Climate-related Disclosures, which would create a standardised framework for Canadian companies to provide disclosures related to climate risk (including scenario analysis). It would be helpful for Suncor to align its reporting with the CSDS 2 standard once this framework is finalised (expected in early 2025), as this would allow greater comparability across issuers in the market. Suncor has expressed its willingness to engage with the CSSB as it develops these standards, and the company is developing plans to incorporate the new standards into its reporting. However, under our net zero voting policy, although the disclosure ask is relatively burdensome, as is the requirement for the report to be audited, it could help to enhance our net zero investors' understanding of Suncor's climate strategy and its exposure to transition risk. Although waiting for CSDS 2 as a rationale is appropriate for mainstream funds, these disclosures might not be available until 2026, and our net zero investors could benefit from having enhanced disclosures more quickly.
Vote Decision	Portfolios that adhere to the TRPA net zero voting policy voted FOR the proposal as they would benefit from the improved disclosure. However, TRPA's mainstream investment strategies voted AGAINST the proposal, given the strength of Suncor's existing climate-related disclosures as well as the developing regulatory climate disclosure framework in Canada. Item 5 did not pass as it received only 12% support.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Vote execution

As discussed above, our portfolio managers, analysts and corporate governance specialists may override our guidelines at any time if there is a sufficient supporting rationale. In the absence of any other instructions, all eligible shares are voted in accordance with our custom guidelines. Our vote is then executed by ISS on our behalf. Principle 8 contains more details on how we oversee the relationship with ISS.

Communicating our voting decisions to companies

Where T. Rowe Price is a significant investor in a company and we plan to vote against the Board's recommendation on one or more items, we generally disclose our voting intentions to the company in advance. The purpose of this dialogue (as discussed under Principle 9) is to determine whether there are additional considerations or context that the Board believes we should consider. Circumstances under which we may not disclose our voting intentions in advance are:

1. When the company does not respond to our outreach or does not exhibit interest in this discussion.
2. When the company employs a third party, such as a broker or proxy solicitor, to collect feedback on our vote intentions. We do not disclose such information to third parties.
3. When the matter in question is of a routine nature and our published proxy voting guidelines already state a clear position on the question.

The use of abstention

Generally, we do not use the option to abstain on voting items, except in a small minority of cases. These cases may be where we do not have sufficient information to vote either FOR or AGAINST an item or where an item has been withdrawn after the agenda has been issued. However, these are exceptional instances, as we believe we have an obligation to make a definitive voting decision, either FOR or AGAINST each item contained in the proxy, wherever possible.

In 2024, we abstained on 702 resolutions at company meetings across our three regions. This was an increase on last year's figure, largely driven by changes in market standards for director elections in Saudi Arabia. However, abstentions continue to represent a tiny fraction of the total 73,700 resolutions we voted globally, including management and shareholder resolutions. In many cases, abstentions reflect technical voting requirements for companies with cumulative voting, primarily in Brazil. The remaining instances reflect intentional use of the abstention, primarily serving as a warning to companies with pay practices we considered problematic but not of sufficient concern to merit opposition. It was also used to signal concern about inadequate disclosure, such as the biographical profiles of director nominees.

Using abstention with regard to approval of nonfinancial reporting (TRPA)

Alcon AG	
Focus	Governance
Company Description	Alcon AG is a Swiss-American pharmaceutical and medical device company specialising in eye care products.
Asset Class	Equity
Country	Switzerland
Issue	Starting in 2024, Swiss-listed companies are required to submit their nonfinancial reporting for shareholder approval. Shareholder approval is sought for a nonbinding resolution to approve the company's report on nonfinancial matters for the fiscal year ended 31 December 2023.
Analysis	We requested a meeting with Alcon to discuss the company's nonfinancial disclosure ahead of its annual general meeting (AGM). The sustainability disclosure within the annual report is limited to a summary of Alcon's environmental, social and governance goals. The company was receptive to our feedback that in future years it would be helpful to include further information on its sustainability and social impact initiatives directly in the annual report. Alcon has adequate sustainability disclosure, but the issue is partly one of timing: the full Social Impact & Sustainability Report is not published until after the AGM, and the disclosure contains no key performance indicators in respect of fiscal year 2023. The company said that future versions of the report would reflect feedback from investors.
Vote Decision	We ABSTAINED on the approval of the nonfinancial report, which passed with 95% support. Disclosure was too limited, but it is reasonable to give the company time to reflect stakeholder feedback when market practice is still emerging.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

'Say on climate' votes, 2024 AGM season

Outside the US, another significant development is affecting voting patterns, particularly in Europe and Australia. In these markets, there is the option of a voluntary, management-sponsored climate resolution, known as a say-on-climate vote. The purpose of this vote is for the company to present the details of its medium- and long-term climate strategy and reporting to investors for their endorsement. In markets where the say-on-climate voting concept has not gained traction, the spotlight remains on a small number of high-profile environmental resolutions brought by shareholders. In markets where the say-on-climate concept is more prevalent, we observe a more nuanced dynamic where the management-sponsored resolution may compete with a proponent's request for additional action.

In this reporting period, there were 27 say-on-climate votes across all TRPA global equity-focused portfolios. We supported 82% of them.

We withheld/abstained on the management-supported say-on-climate resolution at the 2024 AGM of Shell Plc., to reflect our unease about the removal of Shell's 2035 net carbon intensity target, which gives us reduced visibility on Shell's carbon reduction trajectory post-2030. In addition, Shell has removed its commitment to hold an annual shareholder vote on progress against its energy transition plan and the level of ambition in its 2030 climate targets has also been slightly scaled back, although we recognise these changes reflect the strategic reset under the new CEO. As last year, support is not recommended for the climate-related shareholder resolution. The say-on-climate resolution (item 22) received 78% support, and the shareholder resolution (item 23) received 19% support. The company has adequate net carbon intensity targets and added a target this year to reduce absolute Scope 3[2] emissions from use of oil products 15%–20% by 2030 as well.

A move from an annual to a triennial shareholder vote on progress against its energy transition plan also drove our decision to ABSTAIN on the management-supported say-on-climate resolution at the 2024 AGM of Glencore Plc. Like Shell, Glencore felt that some investors were using the annual vote as a vote on the climate policy itself, rather than voting on how the policy had been implemented. Nevertheless, we view this as a backward step for shareholder rights. The say-on-climate resolution (item 12) received 90% support.

A high-profile say-on-climate vote (TRPA)

Woodside Energy Group Ltd.

Focus	Environmental
Company Description	Woodside Energy Group Ltd. is Australia's largest oil and gas producer.
Asset Class	Equity
Country	Australia
Issue	Management-supported say-on-climate resolution
Analysis	Woodside Energy is Australia's largest oil and gas producer. At the 2022 annual general meeting (AGM), the company sought shareholder approval for a management-supported say-on-climate resolution, which passed with only 51% support. When we engaged with the company ahead of the 2024 AGM, we were surprised to hear that the company felt the high dissent was largely due to inadequate disclosure of the plan as opposed to investors questioning the substance of the climate approach. However, we appreciated the efforts it made to share its perspective both directly and in a Climate Briefing presentation via webinar. The company has received multiple climate-related shareholder resolutions in recent years. At the 2023 AGM, we abstained on a climate-related shareholder resolution (item 6b) as we believed that adequate reporting, robust Scope 1 and 2 targets and decent capital expenditure allocated to new technologies did not fully mitigate the company placing an overreliance on offsets. Although we recognised that the climate-related disclosure has improved, we had three fundamental concerns with what was presented at the 2024 AGM. The first point was that the climate plan was heavily reliant on using carbon offsets, and there were some question marks around the quality and integrity of the offsets being retired. The second was Woodside's strategy not meaningfully addressing Scope 3 emissions, which account for over 90% of Woodside's total greenhouse gas (GHG) footprint. Third, although Woodside had targets to reduce its Scope 1–2 GHG emissions over the short and medium term (-15% in net equity Scope 1–2 emissions by 2025 and -30% by 2030) and aims to achieve net zero operational emissions by 2050, it was hard to say with confidence that the current targets are aligned with the goal of the 2015 Paris Agreement of limiting the global temperature increase to well below 2°C above preindustrial levels.
Vote Decision	We voted AGAINST the Climate Transition Action Plan (item 6). A majority of shareholders voted AGAINST and only 42% of shareholders supported the plan, significantly less than the prior version. The resolution was advisory only, but we hope that this level of dissent will encourage Woodside to fundamentally review its approach.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

[2] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Compliance with the UK Corporate Governance Code

The expectations of the UK Corporate Governance Code are reflected in our proxy voting guidelines. Deviations from the code would be treated in the same way that we treat any case of a company not following local good practice. If the reason for noncompliance is well explained and reasonable, given the company's unique circumstances, or if the noncompliance is seen as temporary, we may support the company management at the AGM. However, if we are concerned that the reasons for noncompliance will lead to a misalignment of company management and investor interests, then we would likely oppose management on certain voting items.

Clause 40 of the 2018 UK Corporate Governance Code sets out six considerations for the Remuneration Committee, one of which is proportionality: 'the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance'. Despite the 2024 revision to the UK Corporate Governance Code, the 2018 version of the code was still in effect for the 2024 reporting year.

Voting against the remuneration report (TRPA)

Smith & Nephew Plc.

Focus	Governance
Company Description	Smith & Nephew makes and sells surgical devices and wound care products.
Asset Class	Equity
Country	UK
Issue	The company seeks shareholder approval to materially increase the pay arrangements of US-based executives.
Analysis	Smith & Nephew has had four chief executive officers in a five-year period, one of whom allegedly left because the company could not match his pay expectations; over half the company's revenue is generated in the US. In the remuneration consultation, the company proposed the introduction of a new Restricted Share Programme for US executive directors with a maximum opportunity equal to 125% of salary. At a time of underwhelming share price performance, the opportunity under the existing Performance Share Programme would also be increased from 275% to 300% of salary. The company disregarded feedback we provided during the offseason remuneration consultation to delay the uplift until share price performance has improved. We were also unconvinced by the proposal to exclude UK functional leadership from the restricted shares plan.
Vote Decision	We voted AGAINST the remuneration policy and the restricted share plan at the 1 May 2024 annual general meeting. The remuneration policy received a slim margin of support, with only 57% of shareholders voting in favour. The restricted share plan received only 56% of shareholders' approval.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Client-selected voting approaches

Separate account clients, i.e., those who have opted for a segregated mandate, may choose from four options in relation to proxy voting:

1. To retain voting authority for themselves
2. To delegate voting authority to T. Rowe Price
3. To direct the vote in exceptional circumstances but otherwise delegate the voting authority to T. Rowe Price
4. To retain voting rights in certain markets but otherwise delegate the voting authority to T. Rowe Price

The vast majority of our clients choose to delegate the voting authority to T. Rowe Price. We always welcome discussions with clients on how voting can reflect their investment beliefs and stewardship priorities. We continue to monitor evolving market practice around client-directed voting.

Proportion of shares that were voted in the past year by TRPA

In 2024, only 2% of resolutions were not voted globally or were subject to a Do Not Vote (DNV) instruction. DNV instructions may be applied for a variety of reasons, but the most common is share blocking. We endeavour to vote in all proxies for which we are eligible unless there are significant operational considerations, which we experienced unexpectedly in the Swiss market for some of the spring. A persistent concern is markets where voting would require that we block our clients' shares from trading for a designated period (this is standard practice in Egypt and Morocco, for example). In most instances, we do not vote in share-blocking markets because we believe the potential risk of the temporary illiquidity exceeds the potential benefit of the proxy vote.

TRPA's 2024 proxy voting in action

In the following section, we seek to show how TRPA's voting reflects regional norms by providing for each region (Americas, EMEA and Asia Pacific) the proxy voting guidelines and the voting statistics for that region. This includes the top five management and shareholder resolutions by type per region.

In 2024, 45.1% of all our voting activity took place at companies in the Americas, 30.1% in the Asia Pacific region and 24.8% in EMEA.

The table shows our voting across all resolution types across our portfolio globally in the 2024 calendar year.

TRPA—Global summary

Proponent	Category	# of Proposals	% With Mgmt.	% Against Mgmt.	% Declined to Vote[3]
Management	Add, Amend or Remove Takeover Defences	115	81.7%	14.8%	3.5%
Management	Appoint Auditors/Approve Auditor Fees	4,939	96.9%	0.9%	2.2%
Management	Capital Structure Items	6,733	91.5%	6.2%	2.3%
Management	Management Compensation	8,954	83.2%	15.1%	1.6%
Management	Elect Directors (Uncontested)	38,451	87.8%	10.4%	1.7%
Management	Mergers and Acquisitions	2,929	86.7%	11.8%	1.5%
Management	Routine Business and Operational Matters	9,142	86.1%	10.8%	3.1%
Management	Amend Shareholder Rights	85	94.1%	4.7%	1.2%
Management	Management-Sponsored Environmental Resolutions	27	81.5%	18.5%	0.0%
	Totals	**71,375**			
Shareholder	Proposals to Amend or Remove Takeover Defences	48	54.2%	43.8%	2.1%
Shareholder	Proposals Related to Auditors	245	100.0%	0.0%	0.0%
Shareholder	Proposals Related to Capital Structure	11	72.7%	18.2%	9.1%
Shareholder	Proposals Related to Compensation Policies	85	84.7%	11.8%	3.5%
Shareholder	Elect Directors (Contested)	1,037	85.1%	7.4%	7.4%
Shareholder	Proposals Related to Mergers and Acquisitions	5	60.0%	40.0%	0.0%
Shareholder	Proposals Related to Routine Business and Operational Matters	307	93.8%	4.6%	1.6%
Shareholder	Proposals to Adopt or Amend Shareholder Rights	58	62.1%	32.8%	5.2%
Shareholder	Proposals on Social, Political or Environmental Matters	529	91.7%	6.2%	2.1%
	Totals	**2,325**			
ALL	**Total Management Proposals**	**71,375**	**88.0%**	**10.1%**	**1.9%**
ALL	**Total Shareholder Proposals**	**2,325**	**88.0%**	**7.7%**	**4.3%**
ALL	**Total Management and Shareholder Proposals**	**73,700**	**87.9%**	**10.0%**	**2.0%**

[3] TRPA endeavours to vote every ballot we are eligible to cast. On rare occasions, we submit ballots with instructions not to vote, for technical reasons. Primarily, these are situations (1) where there is a contested election with multiple ballots and we can only vote on one or (2) in countries where investors must give up their ability to trade their shares in order to vote.

Regional voting stats and commentary

TRPA

Americas
Headline-grabbing contested votes were the most important governance theme in the first half of this year in the North American AGM season. With high-stakes votes including The Walt Disney Co., Norfolk Southern, Crown Castle, Hess Corp., Tesla, Starbucks and others, the degree of press and public interest in proxy drama was higher than ever.

Overall levels of hedge fund activism in the US are back to record-setting levels, although many of the players have changed since the last wave in 2013–2014. Activism drove some of these high-profile votes, but there is another important factor in play. Three years ago, the SEC changed the rules for the conduct of contests. Previously, US investors had to select one ballot or the other (dissident or management), and it was almost impossible to mix and match candidates from both sides. With the rule change requiring all candidates to be named on one ballot, the pundits predicted the scales would tip in favour of activists. Now that we have enough data points to analyse, the pundits were clearly wrong. Since the rule change went into effect, outcomes of contested elections have tilted in management's favour.

One important aspect of the 'universal proxy' rule change is it is now cheaper and easier to run a proxy contest. The data would indicate it's still expensive to win a contest, but the lower barrier to entry has resulted in some experimentation by non-hedge fund activists. Starbucks became a prominent example in January when a coalition of labour unions nominated three directors to the Board using this new mechanism. The campaign was viewed by mainstream shareholders as 'single issue', focused only on enabling widespread unionisation of the stores and failing to address some larger performance issues at the company. The proponents dropped their slate on the eve of the contest after the company agreed to enter into negotiations. We can expect more of this type of socially or environmentally focused experimentation.

Americas | 33,222 management and shareholder proposals

Management Proposals	# of Proposals	% With Mgmt.
Elect Directors (Uncontested)	22,670	87.6%
Management Compensation: Say on Pay and Equity Plans	4,033	83.2%
Appoint Auditors/Approve Auditor Fees	3,248	98.8%
Routine Business and Operational	1,051	72.7%
Capital Structure Items	831	79.5%
Other	412	93.2%
Total	**32,245**	

Shareholder Proposals	# of Proposals	% With Mgmt.
Social, Political or Environmental Matters	459	90.4%
Elect Directors (Contested)	264	64.4%
Related to Compensation Policies	69	94.2%
Related to Shareholder Rights	58	62.1%
Related to Anti-takeover Provisions	48	54.2%
Other	79	88.6%
Total	**977**	

EMEA
In Continental Europe, this AGM season saw the first annual votes on nonfinancial reporting in the Swiss and Spanish markets. The quality of disclosure was adequate in most cases, and we expect to see such 'say on sustainability' reports in other Continental European markets in 2025.

In the UK, we saw a few companies seek to implement globally competitive pay. Typically, the companies had large US operations and often had the CEO or members of the Executive Committee based in the US. Companies were seeking either to pay higher quantum to close the gap on US pay levels (for example, London Stock Exchange Group plc) or to implement nonstandard remuneration structures, which included restricted shares (as at Ashtead Group plc and Smith & Nephew plc).

The key policy themes this AGM season in Europe related to unequal voting rights. Indeed, concerns about the need for harmonisation across member states shaped the forthcoming EU Multiple Voting Rights Directive (MVRD).

- In the UK, the FCA revised the Listing Rules, including the expectations for dual-class share structures. The new rules, which took effect on 29 July 2024, also removed the shareholder vote on significant or related party transactions and collapsed the premium and standard listing segments into a single category.
- In June, France changed the law to introduce a 25:1 maximum enhanced voting ratio with a mandatory sunset clause capping the duration of multiple voting rights to 10 years, with a possible one-time extension for five more years.
- In Italy, the previous limit of three multiple voting rights per share has been increased to 10 votes per share. Separately, the number of votes per loyalty share has increased from two votes per loyalty share with one additional vote for each subsequent uninterrupted 12-month holding period up to 10 votes per loyalty share.

Otherwise, the AGM season in Europe has been fairly quiet in terms of contentious discharge votes at our core holdings.

EMEA | 18,265 management and shareholder proposals

Management Proposals	# of Proposals	% With Mgmt.
Elect Directors (Uncontested)	7,556	88.2%
Routine Business and Operational Matters	3,359	88.4%
Management Compensation: Say on Pay and Equity Plans	2,948	83.8%
Capital Structure Items	2,731	92.7%
Appoint Auditors/Approve Auditor Fees	921	89.3%
Other	516	89.9%
Total	**18,031**	

Shareholder Proposals	# of Proposals	% With Mgmt.
Elect Directors (Contested)	115	87.8%
Related to Routine Business & Operational Matters	57	94.7%
Social, Political or Environmental Matters	31	100.0%
Related to Auditors	28	100.0%
Related to Compensation Policies	2	100.0%
Other	1	100.0%
Total	**234**	

APAC

In the 2024 AGM season in Japan, Board composition remains a priority, with a particular focus on independence and gender, along with shareholder resolutions. After a big increase last year, the volume of proposals is now stable, and the number of sustainability-related shareholder resolutions may have peaked: Eight companies received shareholder proposals requesting climate-related disclosure, three fewer than in 2023.

In China, the proposal to remove class meeting requirements is a new theme this year, following changes in China's legal framework to treat A and H shares as the same class. We generally oppose such requests, as they could diminish the safeguards available to specific classes of shareholders, and A and H shares are not directly fungible and trade at different prices. In Hong Kong, companies are increasingly preparing for Scope 1–3[4] disclosures more rigorously, driven by the HKEX mandate on climate disclosure. In India, promoter ownership remains a dominant feature of the market. However, there has been a gradual rise in the number of companies without promoters, from 19 in 2021 to 26 in 2023. In South Korea, bribery and corruption controversies persist as critical issues, but shareholder activism is gaining strong momentum. The Value Up reforms announced in February 2024 are also attracting significant market attention.

In other APAC markets, the lack of disclosure continues to be one of the most common reasons why we vote against management. We also provided teach-in sessions on our ESG framework and voting process to help emerging market companies improve. Gender diversity remains a sustained area of focus, and we are seeing successes with companies such as Sea Ltd., which stopped being a single-gender Board in 2024 after prolonged engagement. We will continue to monitor and engage in the future with companies that do not meet local market standards for Board composition.

APAC | 22,213 management and shareholder proposals

Management Proposals	# of Proposals	% With Mgmt.
Elect Directors (Uncontested)	8,225	88.0%
Routine Business and Operational Matters	4,732	87.5%
Capital Structure Items	3,171	93.6%
Mergers & Acquisitions	2,211	84.8%
Management Compensation: Say on Pay and Equity Plans	1,973	82.6%
Other	787	97.3%
Total	**21,099**	

Shareholder Proposals	# of Proposals	% With Mgmt.
Elect Directors (Contested)	658	93.0%
Related to Routine Business & Operational Matters	212	95.3%
Related to Auditors	183	100.0%
Social, Political or Environmental Matters	39	100.0%
Related to Compensation Policies	14	35.7%
Other	8	75.0%
Total	**1,114**	

Environmental and social shareholder resolutions

We approach shareholder resolutions by assessing the materiality of the issue raised by the proposal, as well as the general suitability of each resolution. Our analysis considers company-specific circumstances, including the current level of disclosure. We are unlikely to support resolutions which are excessively prescriptive or where we think the company is already taking action to address the stated concerns. There are also cases where we disagree in principle with what the proponent puts forward. In our analysis of our voting patterns on shareholder resolutions, we use three categories.

Environmental	Environmental proposals request that companies either disclose certain environmental data or adopt specific environmental policies or practices.
Social	The social category contains a wide range of proposals on issues ranging from specific operational practices at companies to broader societal issues such as diversity.
Political Spending and Lobbying	Political spending and lobbying proposals, an increasing number of which are climate related, seek disclosure of a company's direct political contributions, as well as indirect spending via trade associations.

[4] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

We supported the recommendations of corporate Boards on environmentally oriented shareholder proposals in 95% of cases this year, the same rate as last year. We sided with Board recommendations 91% of the time on socially focused resolutions this year, compared with 94% last year. We agreed with Boards 79% of the time on resolutions addressing corporate lobbying and political spending, compared with 80% in 2023.

These figures do not include a unique subcategory of shareholder resolutions, ESG counterproposals. In our analysis, we separate this category because it represents the appropriation of the shareholder resolution process to address a narrow and non-economically based agenda. We did not support any proposals of this nature.

Shareholder resolutions—TRPA

Total Number of E&S Proposals Voted in 2024	Number	% of Total
ESG counterproposals	106	19.1%
Environmental	181	32.6%
Political	61	11.0%
Social	207	37.3%
Total	**555**	**100.0%**

Items by Category	Number	Supported	Opposed	DNV Due to S/B	Total
ESG counterproposals	106	0	104	2	106
Environmental	181	8	172	1	181
Political	61	11	48	2	61
Social	207	17	188	2	207
Totals	**555**	**36**	**512**	**7**	**555**

Percent by Category	Supported	Opposed	DNV Due to S/B	Total
ESG counterproposals	0.0%	98.1%	1.9%	100.0%
Environmental	4.4%	95.0%	0.6%	100.0%
Political	18.0%	78.7%	3.3%	100.0%
Social	8.2%	90.8%	1.0%	100.0%
Totals	**6.5%**	**92.3%**	**1.3%**	**100.0%**

In total, T. Rowe Price portfolios voted on 2,325 shareholder-sponsored resolutions across all three regions in 2024. For purposes of this analysis, we exclude those related to investor nominations of directors, technical proposals supporting such nominations, and resolutions asking companies to adopt specific corporate governance practices. In the analysis above, we focus on the 555 remaining proposals addressing environmental, social and political topics. Proposals of this type are highly concentrated by geography due to regulations in many markets that prohibit such activity. Of the resolutions in this analysis, 88.1% were brought in the Americas region, specifically the US and Canada. The APAC region represented 7.6% of the volume, and EMEA represented 4.3%.

Climate-related shareholder resolution case studies

In 2024, Sweden saw two high-profile climate-related resolutions at Skandinaviska Enskilda Banken AB and Swedbank AB. The proponents, Greenpeace Nordic and Swedish Society for Nature Conservation, called on the banks to revise their overall strategy before the end of 2024 to fully align with the Paris Agreement and its goal of limiting global warming to 1.5˚C. The revised strategy should include a policy that stops all new lending and all financing services to fossil fuel companies that lack robust phaseout plans in line with 1.5˚C. The phaseout plans must be science-based and include an immediate halt to new fossil fuel extraction, as well as both short- and long-term phaseout targets.

- Swedbank has established financed emission reduction targets for high-emitting sectors which are aligned with a 1.5˚C trajectory. The bank has also developed a framework to evaluate the credibility of clients' transition plans, particularly for those counterparties in high-emitting sectors. The bank has provided a good level of disclosure on this framework, including factors evaluated at the counterparty, how the bank defines a credible transition plan and escalation measures. The bank has also implemented most of our recommendations for improvement to disclosure on these topics. We therefore voted AGAINST the proposal. The resolution did not pass.

- A similar shareholder resolution was received at Skandinaviska Enskilda Banken AB (SEB). Whilst there are several aspects of the bank's climate strategy which are aligned with peers—for example, the bank has established financed emission reduction targets for high-emitting sectors which are aligned with a 1.5˚C trajectory, and the company has developed a framework to evaluate the credibility of clients' transition plans—SEB falls behind peers as it provides limited information on the evaluation framework in its disclosures. For example, it does not detail what factors go into this assessment, the outcome to a counterparty who scores poorly in this framework and potential escalation methods. We engaged with the company in March 2023 and provided recommendations for improvement but have not seen our asks met and therefore voted FOR the shareholder proposal at the 2024 AGM. The resolution did not pass.

Whilst climate-related shareholder proposals remain in the spotlight, TRPA believes Board accountability is the best mechanism to provide feedback to corporate issuers on a variety of issues, including environmental concerns. In the mainstream strategies, such accountability is delivered through the climate transparency gap voting guideline. Select shareholder resolutions serve as a secondary mechanism, to the extent that they are well crafted and they address factors that are economically material to investors.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Our climate transparency gap policy (TRPA)

Terreno Realty Corporation

Focus	Environmental
Company Description	Terreno Realty Corp. is a real estate company which engages in the acquisition ownership and operation of industrial properties.
Asset Class	Equity
Country	US
Issue	The company has been on our climate transparency gap watchlist for some time and has failed to improve by disclosing its Scope 1 and Scope 2[5] greenhouse gas emissions.
Analysis	We gave Terreno Realty extra time last year, but there continues to be no improvement in climate disclosure and we therefore voted against the incumbent non-executive directors this time. This included Gary Boston, LeRoy Carlson, Irene Oh, Douglas Pasquale and Dennis Polk.
Vote Decision	Due to the continued lack of greenhouse gas emissions data, the entire TRPA platform (mainstream, impact and net zero) voted AGAINST the incumbent non-executive directors. Gary Boston received 89% support, LeRoy Carlson received 80% support, Irene Oh received 90% support, Douglas Pasquale received 76% support and Dennis Polk received 56% support.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

[5] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Shareholder resolution case study

Shareholder resolution on child safety (TRPA)	
Meta Platforms, Inc.	
Focus	Social
Company Description	Meta operates a number of large social media properties, including Facebook, Instagram, WhatsApp and Messenger.
Asset Class	Equity
Country	US
Issue	Shareholder resolution item 11, report on child safety and harm reduction
Analysis	The proponent wants Meta to adopt targets and publish an annual report that includes quantitative metrics appropriate to assessing whether Meta has improved its performance globally regarding child safety impacts and actual harm reduction to children on its platforms. We have engaged with Meta on this matter and have been disappointed at the lack of transparency from the company as to the precise methods it is using to define, measure and mitigate the harmful effects on children across its platforms. We view the issue of youth safety as one that drives material reputational damage to the brand, and if reputational issues worsen, it could draw more regulatory scrutiny. In the past, we have given Meta's work on youth safety the benefit of the doubt, given its numerous tools, industry partnerships and the absence of this work being done by media platform peers. However, we were not convinced from our engagement with the company in November 2023 that Meta is taking this issue seriously. We believe the company has not been transparent enough about the effectiveness of the tools it has put in place to improve safety outcomes for children, and therefore holders voted FOR the shareholder resolution, item 11.
Vote Decision	We voted FOR the shareholder proposal AGAINST management. It received 18.5% support.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Shareholder resolution on sales targets of healthy foods (TRPA)

Nestle S.A.	
Focus	Social
Company Description	Nestle is a global manufacturer of processed food and beverages.
Asset Class	Equity
Country	Switzerland
Issue	A group of five institutional investors have filed a shareholder proposal based on the view that the target set by Nestle to increase the sales of more nutritious products by CHF 20–25 billion by 2030 is not sufficiently ambitious. The proposal has two main objectives: – Require Nestle to set a target to increase the proportion of sales from healthy foods versus its absolute target today. – Require Nestle to improve disclosure by mandating the company to include absolute and proportional sales figures for food and beverages sold by Nestle according to their healthfulness, as defined by a government-endorsed nutrient profiling model.
Analysis	Following engagement with both the company and the proponent, we assessed that a sales target of this nature would be excessively prescriptive and would impinge on management's flexibility to alter its product portfolio, thus curtailing the company's ability to meet its fiduciary responsibilities to shareholders. We also believe this target has relatively limited merit from a public health perspective—any weakening of less healthy product segments to meet this target could simply allow competitors to take advantage. Our engagement allowed us to impart our views on best practices for nutrition disclosure (additional transparency on the way Nestle applies its nutrient profiling model methodology and granularity by product category/region). It also informed our views on the shareholder proposal and reinforced our view that a vote AGAINST the proposal was appropriate.
Vote Decision	We therefore voted with management AGAINST the proposal. It received 11% support.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Proxy voting at TRPIM

TRPIM voting statistics

The 2024 voting statistics for TRPIM are shown below.

TRPIM—SUMMARY

Proponent	Category	# of Proposals	% With Mgmt.	% Against Mgmt.	% Declined to Vote[6]
Management	Add, Amend or Remove Takeover Defences	24	87.5%	12.5%	0.0%
Management	Appoint Auditors/Approve Auditor Fees	643	97.2%	2.2%	0.6%
Management	Capital Structure Items	95	90.5%	6.3%	3.2%
Management	Management Compensation: Say-on-Pay and Equity Plans	803	91.7%	7.2%	1.1%
Management	Elect Directors (Uncontested)	4,657	91.2%	8.1%	0.7%
Management	Mergers and Acquisitions	21	95.2%	4.8%	0.0%
Management	Routine Business and Operational Matters	121	76.0%	23.1%	0.8%
Management	Amend Shareholder Rights	32	93.8%	6.3%	0.0%
	Totals	**6,396**			
Shareholder	Proposals to Amend or Remove Takeover Defences	20	45.0%	55.%	0.0%
Shareholder	Proposals Related to Compensation Policies	17	76.5%	11.8%	11.8%
Shareholder	Elect Directors (Contested)	44	52.3%	15.9%	31.8%
Shareholder	Proposals Related to Mergers and Acquisitions	3	33.3%	66.7%	0.0%
Shareholder	Proposals Related to Routine Business and Operational Matters	9	44.4%	22.2%	33.3%
Shareholder	Proposals to Adopt or Amend Shareholder Rights	16	75%	25%	0.0%
Shareholder	Proposals on Social, Political or Environmental Matters	168	84.5%	11.9%	3.6%
	Totals	**277**			
ALL	**Total Management Proposals**	**6,396**	**91.6%**	**7.6%**	**0.8%**
ALL	**Total Shareholder Proposals**	**277**	**73.6%**	**17.3%**	**9.0%**
ALL	**Total Management and Shareholder Proposals**	**6,673**	**90.9%**	**8.0%**	**1.1%**

[6] TRPIM endeavours to vote every ballot we are eligible to cast. On rare occasions, we submit ballots with instructions not to vote, for technical reasons. Primarily, these are situations (1) where there is a contested election with multiple ballots and we can only vote on one or (2) in countries where investors must give up their ability to trade their shares in order to vote.

TRPIM: Proxy voting guidelines

Specific proxy voting guidelines have been adopted by the TRPIM ESG Investing Committee for all regularly occurring categories of management and shareholder proposals. Many guidelines indicate a 'case by case' analysis, reflecting that the facts and circumstances of each issue may vary. Our intent is to vote proxies, where possible to do so, in a manner consistent with our fiduciary obligations and responsibilities. TRPIM investment personnel do not coordinate with investment personnel of its affiliated investment advisers with respect to proxy voting decisions; TRPIM's proxy voting decisions are independent.

Shareholder resolutions—TRPIM

Total Number of E&S Proposals Voted in 2024	Number	% of Total
ESG counterproposals	21	12.4%
Environmental	30	17.8%
Political	23	13.6%
Social	95	56.2%
Total	**169**	**100%**

Items by Category	Number	Supported	Opposed	DNV Due to S/B	Total
ESG counterproposals	21	–	19	2	21
Environmental	30	4	26	–	30
Political	23	8	13	2	23
Social	95	8	85	2	95
Totals	**169**	**20**	**143**	**6**	**169**

Percent by Category	Supported	Opposed	DNV Due to S/B	Total
ESG counterproposals	–	90.5%	9.5%	100%
Environmental	13.3%	86.7%	–	100%
Political	34.8%	56.5%	8.7%	100%
Social	8.4%	89.5%	2.1%	100%
Totals	**11.8%**	**84.6%**	**3.6%**	**100%**

TRPIM's proxy voting summary can be found here.

TRPIM voting case studies

Below are three case studies illustrating how TRPIM applies its voting policy in a number of situations.

Shareholder resolution case study

Using our vote: Shareholder proposal on respecting indigenous people's rights (TRPIM)

JPMorgan Chase & Co.

Focus	Social
Company Description	JPMorgan Chase & Co. (JPM) provides global financial services and retail banking.
Asset Class	Equity
Country	US
Issue	The 2024 ballot included a shareholder proposal calling for a transparency report on 'policies, practices and performance indicators in respecting internationally recognised human rights standards for indigenous people's rights in its existing and proposed general corporate and project financing'.
Analysis	Our lens for shareholder proposals is focused on materiality, an assessment of the strength of the company's existing policies and oversight of the area in question, as well as any related controversies. As project financing of activities that do not respect indigenous people's rights could lead to reputational damage and also potentially litigation, this issue has financial materiality. Further, there have been some media controversies associating JPM with Enbridge's Line 2 pipeline as well as Petroperú. Significantly, JP Morgan is withdrawing from the Equator Principles that act as a framework for responsibly assessing financing (although the company acknowledges them as guiding principles). A key tenet of the Equator Principles is stakeholder engagement requiring free, prior and informed consent (FPIC) from impacted parties. Notably, JPM's policy does not reference FPIC.
Vote Decision	Given that the proposal calls only for a transparency report and taking into consideration the materiality of the issue, related controversies and what we view as the bank's weak policy in this area, we supported this shareholder proposal, together with around 31% of the bank's shareholders.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Voting on performance and oversight issues

Using our vote on performance and compensation (TRPIM)

Enerpac Tool Group Corp.

Focus	Governance
Company Description	Enerpac Tool Group Corp. is an industrial tools and services company serving customers worldwide.
Asset Class	Equity
Country	US
Issue	As detailed in last year's proxy, the company gave a special one-time sign-on award of US$3.4 million, taking the total chief executive officer (CEO) compensation to US$6.9 million for fiscal year 2022, and said it did not anticipate making any further special awards. In our view, this award was reasonable to compensate the CEO for equity left behind elsewhere. However, for fiscal 2023 (we are voting on a look-back advisory basis in 2024) the company made a further special retention award of US$4.5 million (majority time-based, vesting over three years), taking the total CEO pay for 2023 to US$9.6 million.
Analysis	We engaged with the company, during which we had a constructive exchange of views with the chair of the Board. He outlined the circumstance of a successful new CEO that they wanted to keep and to lock down for three years. We have sympathy with the intent, although we made the point that this retention should be facilitated through competitive and attractive ongoing compensation structures (preferably linked to performance/total shareholder return metrics). In this way, ongoing long-term retention is achieved, rather than postponing the issue for three years. They recognised this point and, in our view, did not give an adequate explanation for not simply modifying ongoing compensation to provide compelling ongoing performance-linked reward. Although we are in favour of supporting and retaining the CEO, who is performing well, in our opinion this special award is not the right way to accomplish this.
Vote Decision	Following the engagement, we used our vote to express our view, voting AGAINST Say on Pay. This passed, but with below-average support of 71%.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

Climate-related shareholder resolution case study

Our Climate Transparency Gap Policy (TRPIM)

Liberty Energy, Inc.

Focus	Governance
Company Description	Liberty Energy, Inc., is an oil field service company.
Asset Class	Equity
Country	US
Issue	In order to fully appraise climate impact and therefore investment risk for companies in high-emitting sectors such as energy, we generally wish to see disclosure of both Scope 1 and Scope 2[7] emissions at a minimum. If disclosure is not forthcoming post-engagement, our policy is to withhold support for non-executive directors. Liberty Energy, Inc., has been on our climate transparency gap watchlist for some time and has failed to improve by disclosing its Scope 1 and Scope 2 greenhouse gas emissions.
Analysis	After multiple engagements (most recently in 2024), the company is still not disclosing both Scope 1 and Scope 2 emissions. We therefore used our vote to express our view, withholding support for non-executive directors.
Vote Decision	Following our engagement, due to the continued lack of greenhouse gas emissions data, we voted AGAINST non-executive directors on the ballot. Director Audrey Robertson received 68% support and Director Ken Babcock 48%.

The specific securities identified and described are for informational purposes only and do not represent a recommendation.

[7] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam or cooling), Scope 3 (all other indirect emissions).

Proxy voting disclosure by TRPA and TRPIM

TRPIM makes independent proxy voting decisions, as described in its proxy voting guidelines, from TRPA and its investment advisory affiliates.

We publish on our website a database of every vote from the prior period, searchable by issuer or by portfolio. It is now also possible to search by significant vote. The database contains voting rationales for key categories, such as shareholder resolutions and votes contrary to the Board's recommendations and/or contrary to the T. Rowe Price voting policy. The database is updated every six months, and separate search interfaces are provided for TRPA and TRPIM votes. On request, we also provide institutional clients with a customised record of their portfolios' voting activities. As our holdings in the mutual funds largely mirror those of all clients' accounts, we believe these reports sufficiently address the disclosure envisioned by this code.

In addition, we publish to our public website proxy voting case studies on or around the time of the AGM to provide insight into how TRPA intends to vote at the meeting. Further details can be found in Principle 11 of this report.

Documentation and reporting

The documents below detail our policies and our 2024 activity in proxy voting, responsible investing, engagement and shareholder activism.

Engagement Policy	Detailed guidance for companies seeking to engage with T. Rowe Price on ESG matters.
Investment Philosophy on Shareholder Activism	A detailed description of our policies on interaction with other investors in an activism context and guidance for companies that are subjects of campaigns.

TRPA

Proxy voting guidelines	A detailed set of guidelines reflecting what we believe to be best practice on various corporate governance issues. These summarise our three different voting policies: (1) the T. Rowe Price custom voting policy which is applied to our economically oriented funds, (2) impact and (3) net zero[8].
Proxy voting summary	An annual analysis of our proxy voting trends, including a year-over-year comparison by category. The key points are detailed in this Principle 12. This is the first year that the net zero voting guidelines were implemented and reported.
Proxy voting case studies	A selection of case studies illustrating the decision-making process around particular shareholder meetings or vote categories.
Voting record	A database of our proxy voting records for the most recent reporting period, searchable by issuer, portfolio or significant vote.
For or Against: The Year in Shareholder Resolutions	A detailed breakdown of our voting decisions for the previous year on resolutions across the environmental and social spectrum.

TRPIM

Proxy voting guidelines	A detailed set of guidelines reflecting what we believe to be best practice on various corporate governance issues.
Proxy voting summary	An annual analysis of our proxy voting trends, including a year-over-year comparison by category. The key points are detailed in this Principle 12.
Voting record	A database of our proxy voting records for the most recent reporting period, searchable by issuer, portfolio or significant vote.

[8] A small but growing number of institutional clients have elected to apply various net zero or greenhouse gas reduction targets to their investment portfolios. 'Net zero' refers to achieving a balance between the greenhouse gases put into the atmosphere and those taken out.

An example of a meeting record on our vote disclosure site is shown below. The company name and meeting details are shown as well as how we voted. It is also possible to filter to see only how a particular fund voted at the meeting rather than all funds.

< Back Shell Plc.

Ticker	Meeting Date	Record Date	Security ID	Meeting Type	Industry Sector	Country
SHEL	**21-May-2024**	**17-May-2024**	**GB00BP6MXD84**	**Annual**	**Oil, Gas and Consumable Fuels**	**United Kingdom**

Item #	Proposal	Mgmt Rec	Vote
	Management Proposals		
22	Approve the Shell Energy Transition Strategy *Voting Rationale:* *We are uncomfortable with the removal of the 2035 carbon intensity target from the latest version of the strategy, because this reduces our line of sight on the carbon reduction trajectory post-2030.*	For	Abstain
	Shareholder Proposal		
23	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) With the Goal of the Paris Agreement *Voting Rationale:* *The company is appropriately managing its climate risk given the current net carbon intensity targets.*	Against	Against

The specific securities identified and described are for informational and illustrative purposes only and do not represent a recommendation.

The vote rationale is provided for any votes opposite management or votes opposite the T. Rowe Price custom policy. We also aim to provide an explanation for our voting on any high-profile resolutions. The voting rationale reflects the analysis undertaken by the Responsible Investing and Governance teams, including insights drawn from our engagement with the company.

Significant votes

Our heads of Governance apply a 'potentially significant vote' tag to meetings in our proxy voting platform during the year. Every six months, tagged meetings are reviewed in preparation of the internal vote rationales for publication. Meetings may be tagged where the situation is particularly contentious or where the vote illustrates a key aspect of our voting approach. It is now possible to identify all significant meetings for the period using the 'Include Significant Meetings Only' option from the [Significant Votes TRPA](#) or [Significant Votes TRPIM](#) drop down menu.

139 unique meetings were tagged in 2024 by TRPA using this process. 141 significant votes were tagged by TRPIM in 2024.

We prioritise the following characteristics when identifying votes as significant votes for reporting purposes. This includes any vote that a member of the Governance team concludes is of high interest to the investing public in the market where the company is located.

- Contested Board elections, to the extent we have a meaningful position in the company.
- Any vote for a company where we have an ongoing, active engagement of a contentious nature.
- Any vote that the Governance team determines is particularly illustrative of our general approach (or of a particular strategy's approach) to voting.
- Votes where one or more impact funds voted differently from the mainstream portfolios.

Signatories should explain how they have monitored what shares and voting rights they have

T. Rowe Price has only a limited securities lending programme in place. However, we have a monthly review process in place to identify any potential situations and will recall or restrict securities from lending if necessary. Once a month, the heads of Governance review all stock currently out on loan as well as the names either restricted (i.e., their securities cannot be loaned out) or potentially subject to recall based on their knowledge of upcoming contentious meetings.

In between these reviews, when an analyst flags that an upcoming meeting is expected to be particularly high profile or contain a controversial voting matter, the security will be placed on the 'Meetings to Watch' watchlist. This ensures that the meeting is flagged in the daily voting emails, so the meeting status and the time until the voting cutoff is clearly communicated. Any shares out on loan can be recalled between the monthly reviews, with the daily voting email serving as a prompt to identify any upcoming contentious meetings.

The amount of the issued share capital which T. Rowe Price strategies/portfolios hold at any point in time is accessible through our internal reporting to all members of the Investment and ESG teams. The ballots to be voted are present in our voting platform.

The voting queue clearly identifies if a meeting is not in a votable state, and any operational issues will be referred to our Proxy Operations team for investigation.

Corporate actions

In addition to the investor rights and responsibilities discussed above, T. Rowe Price has contracted a group dedicated to corporate actions, including rights issuances. These responsibilities are performed by BNY Mellon in its capacity as our middle-office service provider, in close cooperation with our investment teams. Corporate action information received daily from custodian banks and market data providers is verified by two or more authorised sources before being acted on. Once the event is verified, the fund accounting and portfolio accounting systems are queried for holders and respective positions.

Corporate action notifications are prepared daily and reviewed prior to distribution to T. Rowe Price investment personnel and BNY Mellon accounting staff. T. Rowe Price portfolio managers or other designated T. Rowe Price investment personnel authorise their voluntary corporate action decisions and submit them to BNY Mellon. Custodian confirmations or other communications that verify the receipt of the instructions are reviewed to ensure the elections are received in a timely fashion and will be acted on accordingly.

Closing reflection

Having undertaken a review of our peers' disclosures, we chose to remove our voting policies from this principle in line with the feedback from the FRC to focus on shorter and clearer reports received during the consultation for the 2025 UK Stewardship Code revision. 2024 was the first full year we saw the operation of TRPA's net zero voting policy. Otherwise, there were minimal changes to the TRPA, TRPA Impact, TRPA Net Zero and TRPIM voting policies in 2024. Our voting statistics continue to show significantly differentiated voting between our mainstream and specialty policies.

APPENDIX A

T. Rowe Price Associates (TRPA)

Appendix A-SRD II Disclosure

The 2024 Stewardship Report seeks to demonstrate how our investment approach aligns with the 2020 UK Stewardship Code. The 2020 code was the implementation in the UK of the section of the revised EU Shareholders' Rights Directive (2017/828), which describes how asset managers should publicly disclose information about the implementation of their engagement policy and how they have exercised their voting rights.

Article 3g requires that institutional investors and asset managers shall develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy. The policy shall describe how they monitor investee companies on relevant matters, including strategy, financial and nonfinancial performance and risk, capital structure, social and environmental impact and corporate governance; conduct dialogues with investee companies; exercise voting rights and other rights attached to shares; cooperate with other shareholders; communicate with relevant stakeholders of the investee companies and manage actual and potential conflicts of interests in relation to their engagement.

Institutional investors and asset managers shall, on an annual basis, publicly disclose how their engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisers. They shall publicly disclose how they have cast votes in the general meetings of companies in which they hold shares. Such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the company

Mapping between the Article 3g requirements and the 2024 Stewardship Report

Topic	Relevant Principle in the Stewardship Report
Engagement	Principle 9 – engagement Principle 10 – collaborative engagement Principle 11 – escalation
Voting, including significant votes	Principle 12 – voting
Use of proxy advisers	Principle 7 – expectations given to vendors Principle 8 – oversight of vendors Principle 12 – use within process

Article 3.a(1) of the Revised Shareholder Rights Directive requires EU member states to ensure that companies have the right to identify their shareholders. Companies may email **Legal_Compliance-Firm_Ownership@troweprice.com** to request a confirmation of the size of T. Rowe Price's holding. We respectfully ask that a company contact be provided for such SRD II holding requests, as we will not share our holdings position with a third party.

APPENDIX B

T. Rowe Price Associates (TRPA)

Appendix B– Japanese Stewardship Disclosure

Participation in Principles for Responsible Institutional Investors (Japan's Stewardship Code)

Published April 2025

We endorse the Principles for Responsible Institutional Investors, which is also known as Japan's Stewardship Code

T. Rowe Price is a global investment management firm with local insight derived from our investment professionals and distribution teams. Our clients rely on our active investment management approach across a broad range of equity, fixed income and multi-asset investment capabilities. We apply an active, high-conviction and forward-looking approach across our investments, with a focus on long-term performance—offering a diversified range of strategies and vehicles to meet client needs in different regions.

Basic policy on responsible investment

At T. Rowe Price, we incorporate environmental, social and governance considerations across our investment platforms. We believe that ESG issues influence investment risk and return, and therefore we incorporate them into our fundamental investment analysis. Additionally, we recognise that many of our clients' goals are not purely financial. As such, we offer select investment products that seek to invest in ways that align with our clients' values or have the potential to drive positive environmental or social impact.

Our ESG Policy is available on our company **website**. It describes how we aim to enhance corporate value and to help our clients create more secure financial futures. Examples of how we integrate ESG into the investment process can be found in Principle 7 of our 2024 Stewardship Report.

Action policy on Principles for Responsible Institutional Investors

Principle 1

Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities and publicly disclose it.

We have a single, global approach to stewardship which is set out in our 2024 Stewardship Report. ESG analysis is one of many building blocks that make up our global investment research platform. Under the mission of 'helping our clients build long-term assets', we provide active management with a long-term investment horizon based on our proprietary fundamental analysis. We put our clients' interests first through stewardship activities such as active ownership, monitoring and constructive dialogue.

We have built specialist teams and technology to evaluate and integrate ESG factors across a range of asset classes. Our proprietary research tools, including the Responsible Investing Indicator Model (RIIM), Impact Lens and ESG-labelled Bond Framework, provide insights that third-party data alone cannot. They are designed specifically to help portfolio managers and analysts consider ESG factors as part of their investment process (see Principle 7 of our 2024 Stewardship Report). A key tenet of our approach is our engagement with the companies in which we invest. Whilst we engage with companies in a variety of different contexts, ESG engagement focuses on learning about and exchanging perspectives on the environmental practices, corporate governance or social issues affecting their business. We convey our expectations to companies and, in most cases, encourage them to make changes which we believe to be in the best interest of their business and our clients (see Principle 9 of our 2024 Stewardship Report).

We publicly disclose our policies on our websites: **English** and **Japanese**.

Going forward, T. Rowe Price will continue to invest capital in areas where it is needed as an investor and will strive to fulfil our stewardship responsibilities and maintain high standards.

Principle 2

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Our global Conflicts of Interest Policy is contained within our Code of Ethics and Conduct, which is available on our public website **here**. We established our Conflicts of Interest Policy to ensure that all appropriate steps are taken to prevent or manage conflicts of interest which could be detrimental to the interests of clients. Where conflicts cannot be avoided, we seek to mitigate them through organisational and administrative controls and, where necessary, disclosure to clients. Our Conflicts of Interest Management Policy, which is applied under the Japanese regulatory requirements, can be found on our **website (Japanese)**.

Our overarching approach to dealing with potential conflicts of interest related to stewardship is to resolve them by taking the path which best serves our clients' interests. Principle 3 of our 2024 Stewardship Report sets out how conflicts may arise because of a range of issues, for example, mergers and acquisitions scenarios where clients own the target and the acquirer and how these would be managed.

Principle 3 then discusses how technological and process controls support the relevant T. Rowe Price ESG Investing Committees in monitoring and resolving potential conflicts between the interests of T. Rowe Price and those of its clients with respect to proxy voting. A description of the composition and role of the TRPA and T. Rowe Price Investment Management, Inc. (TRPIM), ESG Investing Committees can be found in Principle 2 of our 2024 Stewardship Report.

Our governance structure is designed to protect the interests of shareholders in T. Rowe Price Group and our clients by establishing separate Boards of Directors for the firm and for our investment funds or trusts. The interests of our corporate shareholders are distinct from those of investment clients, so we have Board structures to protect the interests of both groups. The group structure is complex and there are several regional subsidiaries, each of which has its own Board.

The firm's Boards of Directors strive for excellence for all our clients, ensuring that our policies, practices and actions reflect the highest levels of ethics and integrity. Principle 2 of our 2024 Stewardship Report sets out our governance structure and how it has evolved in 2024. The TRPA and TRPIM ESG Investing Committees oversee our stewardship policies and are responsible for ensuring they remain fit for purpose. The T. Rowe Price Group Nominating and Corporate Governance Committee, which is composed entirely of independent directors of the Board of Directors of T. Rowe Price Group (Board), is responsible for approving the Stewardship Report before it is signed off by our head of Global Investments, who also serves on the Management Committee. The Board as a whole is composed of a majority of independent directors.

Principle 3

Institutional investors should monitor investee companies so that they can appropriately fulfil their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

Our approach to monitoring is discussed in Principles 7 and 9 of our 2024 Stewardship Report. The frequency of our monitoring activity is a function of the asset class of the investment, its reporting cycle, the size of our investment and the degree to which we have concerns about performance.

Due to our long-term time horizon and fundamentally driven approach to investing, monitoring of the management, performance, strategy and governance of our investee companies is a natural extension of our investment process. Our dedicated, in-house research analysts consider tangible investment factors such as financial information, valuation and macroeconomics in tandem with intangible investment factors related to the environment, social factors and corporate governance.

Our approach is the same whether our investment is held in an equity or a fixed income strategy. The equity or credit analyst generally speaks with the management of the company or other issuer following the public release of any significant news, financial results or strategic developments. In between such events, our analysts are responsible for monitoring the public filings of the company as well as information from a variety of sources: broker-sponsored research, investment conferences, industry publications and analyst days.

Our RIIM analysis also supports our regular portfolio monitoring reviews, as it will capture new data released and/or exposure to new controversies.

Principle 4

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

Our approach to engagement is discussed in Principle 9 of our 2024 Stewardship Report. As an active manager, we focus on material ESG issues which can be integrated into the fundamental analysis. Engagement helps portfolio managers understand and seek to improve issues that could be detrimental to performance. We apply the same engagement approach to corporate issuers regardless of asset class. Thematic engagements are a minority of the engagements undertaken.

Our engagement programme is conducted by our portfolio managers with the support of our industry-focused analysts and our in-house specialists in corporate governance and sustainability in order to leverage their expertise on specific companies, industries or issues of an environmental, social or governance nature. Principle 9 contains case studies of our engagement with Japanese companies. Our company engagement programme primarily takes place through formal letters to Boards of Directors, private meetings in our offices, conference calls and proxy voting. In general, we apply the same approach to engaging with companies whether the holding is in an equity or a fixed income portfolio and across all geographies. However, our equity impact strategies take a particularly hands-on approach to joining their voting and engagement activities as part of their commitment to additionality, driven from discussions at the weekly Impact Research Meeting. Please also refer to our Engagement Policy in **English** and **Japanese** for more details and our approach to escalation under Principle 11 of our 2024 Stewardship Report. Where we believe this benefits our clients and is allowable under the applicable regulatory framework, we increasingly use collaborative engagement as a means of escalating a concern we have identified in an individual dialogue (see Principle 11).

Collaborative engagement involves working with other investors to engage an issuer in a group dialogue on specific topics or to achieve a specific change. Principle 10 of our 2024 Stewardship Report provides more details. The list of initiatives T. Rowe Price participates in can also be found under Principle 10 of our 2024 Stewardship Report. Our global policy strictly prohibits our associates from conducting insider trading and is contained in the Code of Ethics and Personal Transactions Policy and is available on our public website. Companies wanting to engage in a market sounding with T. Rowe Price should contact our Compliance team via our Market Soundings shared inbox, **Market_Soundings@troweprice.com**.

Principle 5

Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be composed only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

The policy on voting should not be composed only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies. Our approach to voting is set out in Principle 12 of our 2024 Stewardship Report. Our voting process considers both high-level principles of corporate governance and the circumstances specific to each entity. It includes significant involvement by investment analysts and portfolio managers. Our overarching objective is to cast votes in a thoughtful, investment-centred way to foster long-term success for the entity and its investors.

T. Rowe Price maintains a custom set of voting guidelines, administered with the assistance of ISS. The custom policy is underpinned by the good practice expectations from local corporate governance codes and other market norms. T. Rowe Price's portfolio managers are ultimately responsible for the voting decisions within the strategies they manage.

Principle 12 of our 2024 Stewardship Report provides more detail on how we use the proxy adviser, and Principle 8 provides how we monitor service providers. We publish on our website a database of every vote from the prior period, searchable by issuer or by portfolio. The database contains voting rationales for key categories such as shareholder resolutions and votes contrary to the Board's recommendations. The database is updated every six months, and customised proxy voting reports are available upon request for institutional investors. We publish a post-annual general meeting season report for our clients each year, highlighting important corporate governance trends from the prior 12 months and aggregating our proxy voting decisions into categories. Both our voting guidelines and the voting results can be found on our website.

Principle 6

Institutional investors in principle should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

The Stewardship Report is published annually to demonstrate alignment with the UK Stewardship Code. The examples can also provide colour as to how we are meeting the expectations of related principles, such as the Japanese Stewardship Code. Clients also receive information about key ESG themes, engagement, proxy voting and investment approaches in our Annual ESG Report.

We also provide fund-level ESG reports, which help clients across the globe understand how our portfolios integrate ESG into their investments. The reports focus on stewardship (engagement activity relating to the fund), proxy voting and climate risk (fund carbon footprint). Our approach to client reporting is set out in Principle 6 of our 2024 Stewardship Report. In addition, we publish required disclosure under Japanese Stewardship Code in **English** and **Japanese** on our website, for investment professionals and/or eligible investors only.

Principle 7

To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

Our dedicated ESG resources are set out in Principle 2 of our 2024 Stewardship Report. A team of 42 investment professionals is dedicated to ESG research. They are organised across three specialist teams: Responsible Investing, Governance and Regulatory Research. Each helps our analysts and portfolio managers identify, analyse and integrate the ESG factors most likely to have a material impact on an investment's performance. In addition, we have an ESG Enablement team of 10 professionals. Our ESG specialist teams are supported by an Operations team focused on proxy voting execution and a Technology team focused on ESG data integration.

Our company's culture is based on collaboration and diversity, enabling us to identify opportunities others might overlook. We attract and retain top candidates by developing key talent and succession plans; investing in diversity, equity and inclusion initiatives and creating opportunities for our associates to learn and grow and providing competitive benefits. Part of the success of our approach is demonstrated via tenure data—the average tenure of our portfolio managers is 17 years[1], as discussed in Principle 1 of our 2024 Stewardship Report.

Although proprietary research is the main driver of our investment decision-making, we supplement our ESG research capabilities with data and services from several external providers. This is described under Principle 8 of our 2024 Stewardship Report. How we review our policies to ensure they enable effective stewardship is described under Principle 5 of our 2024 Stewardship Report.
The work of the Responsible Investing and Governance teams is overseen by the relevant adviser's ESG Investing Committee. The majority of each ESG Investing Committee are investors, with additional representatives drawn from the Legal and Operations teams. The TRPA ESG Investing Committee typically meets twice a year, in winter and summer.

The self-assessment and stewardship activities, including proxy voting and engagement, which are required under the Japanese Stewardship Code are published annually on our website (**Japanese**), for investment professionals and/or eligible investors only.

As the company is not a service provider for institutional investors, Principle 8 does not apply to us.

[1] Excludes OHA.

APPENDIX C

Appendix C– Index of case studies

Entity	Adviser	Principle
Acadia Healthcare Company, Inc.	TRPIM	P7
AerCap	TRPA	P7
Albemarle Corporation	TRPIM	P7
Alcon AG	TRPA	P12
Anglian Water	TRPA	P7
Anglo American Platinum	TRPA	P7
ArcelorMittal	TRPA	P9
AstraZeneca Plc.	TRPA	P12
Australia	TRPA	P4
Bethel Automotive Safety Systems	TRPA	P8
BizLink Holding Inc.	TRPA	P9
Blueprint Medicines Corporation	TRPA	P9
CCC Intelligent Solutions	TRPIM	P9
Chesapeake Utilities	TRPIM	P9
CyrusOne Data Centers	TRPA	P9
Enerpac Tool Group Corp.	TRPIM	P12
Exxon Mobil Corporation	TRPA	P9
Fannie Mae	TRPA	P9
Ford	TRPA	P9
Impala Platinum	TRPA	P7
Inner Mongolia Yili	TRPA	P10
Itau	TRPA	P10
JPMorgan Chase & Co	TRPIM	P12
Klabin	TRPA	P11
Li Auto Inc.	TRPA	P12
Liberty Energy, Inc.	TRPIM	P12
LY Corp	TRPA	P9
Maple Leaf Foods	TRPA	P10
Meta Platforms, Inc.	TRPA	P12
Mitsubishi UFJ Financial Group	TRPA	P9
Morgan Stanley	TRPIM	P3

Entity	Adviser	Principle
Naspers Ltd	TRPA	P11
Nestle S.A.	TRPA	P12
Northam Platinum	TRPA	P7
Northumbrian Water	TRPA	P7
Petrobras	TRPA	P7
ProAssurance Corporation	TRPIM	P11
Prosus NV	TRPA	P11
Severn Trent	TRPA	P7
Sibanye-Stillwater	TRPA	P7
Smith & Nephew Plc.	TRPA	P12
South West Water	TRPA	P7
Southern Water	TRPA	P7
Southwest Airlines	TRPA	P11
State of Maryland	TRPA	P9
Sumber Alfaria Trijaya	TRPA	P9
Sumitomo Mitsui Trust Holdings, Inc.	TRPA	P9
Suncor Energy Inc.	TRPA	P12
Taiyo Yuden	TRPA	P12
Terreno Realty Corporation	TRPA	P12
Tesla, Inc.	TRPA	P12
Thames Water	TRPA	P7
United Utilities	TRPA	P7
Vector Group	TRPA	P7
Vertiv Holdings	TRPA	P9
Victrex	TRPA	P10
Warrior Met Coal Inc.	TRPA	P9
Wessex Water	TRPA	P7
Woodside Energy Group Ltz.	TRPA	P12
Yorkshire Water	TRPA	P7
Zambia	TRPA	P11

APPENDIX D

T. Rowe Price Associates (TRPA)

Appendix D- 2024 corporate engagement activity

TRPA engagements—Numbers by category

By Market Capitalization	No. of Corporate Engagements
Private Companies	25
< US$2 billion	53
US$2 billion–US$10 billion	172
US$10 billion–US$50 billion	236
US$50 billion+	203

By Region	No. of Engagements
Americas	361
EMEA	257
Asia Pacific	159
By Market Sector	**No. of Engagements**
Financials	143
Industrials	113
Consumer Discretionary	93
Health Care	86
Information Technology	58
Materials	52
Consumer Staples	43
SSA[1]	41
Securitised	31
Communication Services	29
Real Estate	26
Utilities	26
Energy	20
Municipal	16
By Asset Category	**No. of Engagements**
Corporate	689
SSA[1]	41
Securitised	31
Municipal	16

[1] SSA: Sovereign, supranational and agency.

2024 TRPA corporate engagements

Environmental (E), Social (S) and Governance (G) classifications of all company engagements.

Issuer	Quarter	E	S	G
Abdullah Al Othaim Markets Co	4Q24	●	●	●
Abertis Infraestructuras SA	1Q24	●		
ABN AMRO Bank NV	2Q24	●	●	
abrdn plc	3Q24			●
Accenture PLC	3Q24		●	●
ACEN Corp	1Q24	●		
ACWA Power Co	3Q24	●		
Adani Enterprises Ltd	3Q24		●	●
Adani Green Energy Ltd	1Q24	●		
	4Q24		●	
Adani Ports & Special Economic Zone Ltd	2Q24			●
Adobe Inc	4Q24		●	●
Advanced Drainage Systems Inc	4Q24	●		
Aegea Finance Sarl	1Q24	●		
AerCap Holdings NV	3Q24	●		●
Agilent Technologies Inc	4Q24			●
Airbus SE	4Q24			●
Aisin Corp	3Q24			●
Akbank TAS	4Q24	●		
Akero Therapeutics Inc	2Q24			●
Alcon AG	2Q24	●	●	
	4Q24	●		●
Alibaba Group Holding Ltd	1Q24			●
	2Q24	●		
	2Q24	●	●	
	3Q24		●	●
Allogene Therapeutics Inc	4Q24			●
Allstate Corp/The	4Q24	●	●	●
Alphabet Inc	4Q24		●	●
Alstom SA	2Q24			●
Amadeus IT Group SA	2Q24			●
	4Q24			●
Amazon.com Inc	1Q24	●	●	
	2Q24		●	●
	3Q24	●		
Amcor PLC	3Q24			●
American Express Co	2Q24	●	●	●
American Homes 4 Rent	3Q24			●
American International Group Inc	2Q24			●
	4Q24			●
Amplifon SpA	2Q24			●
	3Q24	●		
Analog Devices Inc	3Q24	●		●
Antofagasta PLC	3Q24	●		
	4Q24			●
AP Moller - Maersk A/S	3Q24	●	●	
Apollo Hospitals Enterprise Ltd	1Q24		●	
	2Q24			●
	3Q24		●	●
Apple Inc	1Q24		●	●
	3Q24		●	
Applied Materials Inc	3Q24	●	●	
Arabian Internet & Communications Services Co	4Q24			●
ArcelorMittal SA	1Q24		●	●
	4Q24		●	
	4Q24	●	●	●
Arcos Dorados Holdings Inc	1Q24	●	●	
Argenx SE	1Q24			●
Aris Mining Corp	3Q24	●		
Aristocrat Leisure Ltd	1Q24			●
Ariston Holding NV	2Q24			●
Armstrong World Industries Inc	2Q24			●
Ascential PLC	2Q24			●
ASML Holding NV	1Q24			●
	4Q24			●
	4Q24			●
Assa Abloy AB	1Q24			●
AstraZeneca PLC	4Q24		●	
ASX Ltd	4Q24		●	●
AT&T Inc	4Q24		●	
Attijariwafa Bank	2Q24			●
Autoliv Inc	2Q24	●		
AutoZone Inc	3Q24			●
	3Q24			●
AvalonBay Communities Inc	1Q24	●		
	4Q24	●	●	
Avery Dennison Corp	2Q24			●
	4Q24	●		●
B3 SA - Brasil Bolsa Balcao	3Q24	●	●	
Baker Hughes Co	4Q24	●		
Banca Mediolanum SpA	1Q24	●	●	●
	2Q24			●
Banca Transilvania SA	1Q24	●	●	
	2Q24	●		
	4Q24	●		●
Banco Bilbao Vizcaya Argentaria SA	2Q24	●		

Issuer	Quarter	E	S	G
Banco Bradesco SA	2Q24	●		
Banco de Sabadell SA	4Q24	●		
Banco del Estado de Chile	2Q24	●	●	
Banco General SA	2Q24	●	●	
Bangkok Bank PCL	4Q24	●	●	
Bank Central Asia Tbk PT	3Q24	●	●	
Bank of America Corp	2Q24		●	●
	4Q24	●		
Bank Rakyat Indonesia Persero Tbk PT	3Q24		●	
Barclays PLC	2Q24	●		
Barry Callebaut AG	4Q24			●
BAWAG Group AG	2Q24			●
	4Q24			●
Baxter International Inc	1Q24	●		●
Bayer AG	1Q24	●		●
Bayerische Motoren Werke AG	3Q24	●	●	
BDO Unibank Inc	3Q24	●	●	
	4Q24	●		
BE Semiconductor Industries NV	1Q24			●
Becton Dickinson & Co	3Q24	●	●	
BFF Bank SpA	1Q24			●
	2Q24		●	
	2Q24			●
	2Q24			●
	2Q24			●
	4Q24			●
BHP Group Ltd	1Q24	●		
	1Q24	●	●	
	3Q24	●		
	3Q24	●	●	
Bid Corp Ltd	4Q24			●
BILL Holdings Inc	4Q24			●
Bio-Techne Corp	3Q24			●
Bizlink Holding Inc	2Q24			●
Blue Star Ltd	3Q24			●
Blueprint Medicines Corp	1Q24			●
	2Q24			●
	3Q24	●		●
BNP Paribas SA	2Q24	●		●
Boeing Co/The	1Q24		●	●
	4Q24		●	●
Bosideng International Holdings Ltd	3Q24	●	●	●
BP PLC	4Q24	●		●
Bridgepoint Group PLC	1Q24			●
Bright Horizons Family Solutions Inc	2Q24	●		
Bristol-Myers Squibb Co	4Q24		●	●
Broadcom Inc	2Q24			●

Issuer	Quarter	E	S	G
Bumitama Agri Ltd	1Q24	●	●	
Burlington Stores Inc	1Q24	●	●	●
Canadian Pacific Kansas City Ltd	3Q24	●		
Capgemini SE	1Q24			●
Capitec Bank Holdings Ltd	1Q24	●	●	●
Cardinal Health Inc	3Q24			●
Carrier Global Corp	2Q24		●	●
Cemex SAB de CV	2Q24	●		
Cencora Inc	1Q24			●
	4Q24		●	●
Central Japan Railway Co	1Q24	●		●
	4Q24	●	●	
Central Parent LLC	1Q24	●	●	
CF Industries Holdings Inc	1Q24	●		
	4Q24	●		●
Chailease Holding Co Ltd	3Q24	●	●	
Challenger Ltd	3Q24			●
Charles River Laboratories International Inc	1Q24	●		●
Chevron Corp	4Q24	●		
China Resources Gas Group Ltd	1Q24	●		
China Resources Mixc Lifestyle Services Ltd	4Q24			●
Chipotle Mexican Grill Inc	4Q24	●	●	●
Chubb Ltd	2Q24	●	●	●
	4Q24	●		
Chubu Electric Power Co Inc	2Q24	●		●
Churchill Downs Inc	1Q24	●	●	
Cia de Minas Buenaventura SAA	3Q24	●		
	4Q24	●	●	
Cia Siderurgica Nacional SA	2Q24	●		
Cie de Saint-Gobain SA	3Q24	●		
	4Q24			●
Cie Financiere Richemont SA	3Q24			●
Cigna Group/The	2Q24		●	
	4Q24	●	●	●
Citigroup Inc	2Q24		●	●
	4Q24	●		●
Clicks Group Ltd	1Q24			●
Colgate-Palmolive Co	2Q24	●		●
	4Q24	●		
Comcast Corp	4Q24		●	●
Commonwealth Bank of Australia	3Q24	●		
Compass Group PLC	2Q24			●
Conagra Brands Inc	1Q24			●
	3Q24			●
ConocoPhillips	4Q24	●		●
Constellation Energy Corp	4Q24	●	●	●

Issuer	Quarter	E	S	G
Container Corp Of India Ltd	4Q24			●
Contemporary Amperex Technology Co Ltd	4Q24	●	●	
Cooperatieve Rabobank UA	4Q24	●	●	
Corning Inc	4Q24	●		
Corp Nacional del Cobre de Chile	3Q24	●		
Covestro AG	2Q24	●		
Credicorp Ltd	2Q24	●	●	
Credit Agricole SA	4Q24	●		
CSX Corp	2Q24		●	●
CVS Health Corp	4Q24	●	●	
Cytokinetics Inc	4Q24			●
Daiichi Sankyo Co Ltd	4Q24	●	●	
Daimler Truck Holding AG	1Q24	●		●
Danaher Corp	4Q24	●	●	
Dassault Systemes SE	2Q24			●
Davide Campari-Milano NV	2Q24			●
Davies & Metcalfe	3Q24			●
Dayforce Inc	3Q24			●
DCC PLC	3Q24	●		●
Deere & Co	2Q24	●		
Deutsche Post AG	4Q24			●
Dixon Technologies India Ltd	3Q24			●
DocuSign Inc	2Q24		●	●
	4Q24			●
Dollar General Corp	2Q24		●	●
Dominion Energy Inc	4Q24	●	●	●
Douglas Emmett Inc	1Q24		●	●
Dover Corp	4Q24	●		●
Dowlais Group PLC	1Q24			●
Downer EDI Ltd	4Q24		●	●
DP World Ltd/United Arab Emirates	2Q24	●		
Edenred SE	2Q24	●		●
Element Fleet Management Corp	1Q24	●		
Eli Lilly & Co	2Q24		●	●
	4Q24			●
Emirates NBD Bank PJSC	1Q24	●		
	3Q24	●	●	
Endeavour Mining PLC	2Q24			●
Enel SpA	1Q24	●	●	●
Engie SA	1Q24	●	●	●
Eni SpA	1Q24			●
Equifax Inc	2Q24			●
	3Q24	●		
Equity Residential	4Q24	●	●	
ERAC USA Finance LLC	1Q24	●		
EssilorLuxottica SA	2Q24			●

Issuer	Quarter	E	S	G
Eurofins Scientific SE	2Q24			●
	4Q24			●
Evotec SE	1Q24	●	●	●
Expand Energy Corp	1Q24	●		●
Experian PLC	3Q24	●	●	
Exxon Mobil Corp	2Q24	●	●	●
	3Q24	●		
Fabrinet	4Q24	●		●
Fair Isaac Corp	1Q24			●
	3Q24			●
Federation des Caisses Desjardins du Quebec	4Q24	●	●	
Ferguson Enterprises Inc	2Q24	●		
First Abu Dhabi Bank PJSC	2Q24	●		
	3Q24	●		
FirstEnergy Corp	1Q24	●	●	●
FirstRand Ltd	3Q24			●
Fiserv Inc	4Q24	●	●	●
Five Below Inc	1Q24	●	●	●
flatexDEGIRO AG	1Q24			●
	1Q24			●
	2Q24			●
	2Q24			●
	2Q24			●
	2Q24			●
	3Q24			●
	4Q24			●
FMC Corp	1Q24	●		●
Food & Life Cos Ltd	3Q24			●
Ford Motor Credit Co LLC	2Q24	●		
Ford Otomotiv Sanayi AS	2Q24	●		
Forvia SE	1Q24		●	●
Freeport-McMoRan Inc	4Q24	●	●	●
Fresenius SE & Co KGaA	4Q24			●
Freshpet Inc	3Q24			●
Fresnillo PLC	3Q24	●		
Futu Holdings Ltd	4Q24			●
Fuyao Glass Industry Group Co Ltd	3Q24	●	●	●
Galaxy Entertainment Group Ltd	1Q24	●	●	
Galp Energia SGPS SA	2Q24	●	●	●
GE HealthCare Technologies Inc	4Q24	●	●	
GE Vernova Inc	3Q24	●	●	
GEA Group AG	4Q24	●		
Geely Automobile Holdings Ltd	1Q24	●	●	
General Dynamics Corp	1Q24	●		●
General Electric Co	2Q24	●		●
	4Q24	●		●

Issuer	Quarter	E	S	G
General Motors Co	2Q24	●		
Genmab A/S	1Q24		●	●
	4Q24			●
Genuit Group PLC	1Q24			●
Glencore PLC	2Q24	●		●
Globo Comunicacao e Participacoes SA	1Q24	●		
	1Q24		●	
GoDaddy Inc	4Q24			●
Godrej Consumer Products Ltd	3Q24		●	●
Goldman Sachs Group Inc/The	2Q24	●	●	●
Goodman Group	4Q24		●	●
Graphic Packaging Holding Co	3Q24	●		
Groupe Bruxelles Lambert NV	2Q24			●
Grupo Energia Bogota SA ESP	2Q24	●		
Grupo Financiero Banorte SAB de CV	1Q24	●		
Grupo Rotoplas SAB de CV	4Q24	●		
	4Q24	●		
GSK PLC	3Q24	●	●	
	4Q24			●
	4Q24	●	●	
	4Q24			●
Guardant Health Inc	1Q24	●	●	●
H&R Block Inc	1Q24	●	●	
HA Sustainable Infrastructure Capital Inc	1Q24	●		
Haidilao International Holding Ltd	1Q24			●
Halliburton Co	4Q24	●	●	●
Hartford Financial Services Group Inc/The	4Q24	●		
HCA Healthcare Inc	2Q24		●	●
HDFC Asset Management Co Ltd	3Q24			●
HDFC Life Insurance Co Ltd	4Q24		●	
Helios Towers PLC	2Q24	●		
Hindustan Unilever Ltd	3Q24		●	
HKT Trust & HKT Ltd	1Q24	●	●	
Holcim AG	3Q24	●	●	
Hologic Inc	4Q24		●	●
Hongkong Land Holdings Ltd	4Q24	●		●
Hoshizaki Corp	1Q24	●		●
HSBC Holdings PLC	1Q24	●		
	1Q24	●	●	
	2Q24			●
	2Q24		●	●
HubSpot Inc	4Q24		●	●
Humana Inc	2Q24			●
	4Q24		●	●
Huntington Bancshares Inc/OH	4Q24	●		●

Issuer	Quarter	E	S	G
Huntington Ingalls Industries Inc	1Q24	●	●	
	2Q24	●		●
Hypoport SE	2Q24			●
Hyundai Mobis Co Ltd	4Q24	●		●
Hyundai Motor Co	4Q24			●
Hyundai Motor Securities Co Ltd	1Q24	●	●	●
Iberdrola SA	2Q24	●		●
IDEX Corp	2Q24	●		
IGO Ltd	2Q24			●
	4Q24			●
Indraprastha Gas Ltd	3Q24			●
Infineon Technologies AG	4Q24	●		
Informa PLC	1Q24			●
ING Groep NV	1Q24			●
Ingersoll Rand Inc	1Q24			●
	3Q24	●		
Inner Mongolia Yili Industrial Group Co Ltd	2Q24	●	●	
InterContinental Hotels Group PLC	1Q24			●
International Business Machines Corp	2Q24	●	●	●
Intuit Inc	4Q24		●	
IQE PLC	3Q24			●
Iren SpA	1Q24	●		
Johnson & Johnson	2Q24		●	●
Jollibee Foods Corp	1Q24	●		
	2Q24	●	●	
JPMorgan Chase & Co	2Q24		●	●
	4Q24	●		●
Julius Baer Group Ltd	1Q24			●
	4Q24			●
Kanzhun Ltd	3Q24	●	●	
Kenvue Inc	4Q24	●		●
Keros Therapeutics Inc	2Q24			●
	4Q24			●
Kimberly-Clark Corp	4Q24	●		●
Kinder Morgan Inc	2Q24	●		●
Kingfisher PLC	1Q24			●
	3Q24			●
KION Group AG	1Q24			●
	1Q24			●
	2Q24			●
Kite Realty Group Trust	2Q24	●	●	
Klabin SA	1Q24			●
Kohl’s Corp	4Q24			●
Kojamo Oyj	3Q24	●		
Kone Oyj	1Q24			●

Issuer	Quarter	E	S	G
Koninklijke Ahold Delhaize NV	1Q24	●		
	2Q24	●		
	3Q24	●	●	
Koninklijke KPN NV	3Q24	●		
Koninklijke Philips NV	2Q24			●
	3Q24		●	●
Korea Zinc Co Ltd	1Q24			●
Kotak Mahindra Bank Ltd	3Q24	●	●	
KT Corp	2Q24			●
Kuala Lumpur Kepong Bhd	1Q24	●	●	
Kumba Iron Ore Ltd	2Q24	●	●	●
L3Harris Technologies Inc	2Q24		●	●
Lam Research Corp	3Q24			●
Landsbankinn HF	2Q24	●		
Larsen & Toubro Ltd	1Q24	●	●	
Las Vegas Sands Corp	2Q24			●
Leonardo SpA	2Q24			●
LG Energy Solution Ltd	2Q24	●		
Li Auto Inc	2Q24	●		●
Linde PLC	2Q24			●
Lloyds Banking Group PLC	4Q24	●		●
Localiza Rent a Car SA	1Q24			●
Lojas Renner SA	1Q24	●	●	
London Stock Exchange Group PLC	1Q24			●
L'Oreal SA	3Q24	●		●
LY Corp	2Q24		●	●
Macquarie Group Ltd	3Q24			●
Manhattan Associates Inc	1Q24			●
Maple Leaf Foods Inc	2Q24	●		
Marsh & McLennan Cos Inc	4Q24			●
Mattel Inc	4Q24			●
mBank SA	3Q24	●	●	●
McDonald's Corp	2Q24		●	●
Mediobanca Banca di Credito Finanziario SpA	2Q24	●	●	
Meituan	4Q24			●
Melco International Development Ltd	1Q24	●	●	
Melrose Industries PLC	1Q24			●
MercadoLibre Inc	1Q24	●	●	
	1Q24	●		
Mercedes-Benz Group AG	3Q24	●	●	
	4Q24		●	
Merck & Co Inc	4Q24	●	●	
Merck KGaA	4Q24		●	
Meta Platforms Inc	2Q24		●	●
	4Q24	●	●	●
Metro Brands Ltd	3Q24			●
MGM China Holdings Ltd	2Q24	●	●	

Issuer	Quarter	E	S	G
Microsoft Corp	3Q24	●		
	4Q24	●		
MidCap Financial Investment Corp	1Q24	●	●	
Middleby Corp/The	1Q24	●		
Millicom International Cellular SA	1Q24			●
Minsur SA	3Q24	●		
Mitsubishi Electric Corp	2Q24			●
Mitsubishi Estate Co Ltd	4Q24	●		●
Mitsubishi UFJ Financial Group Inc	2Q24	●		●
	3Q24			●
Mitsui Fudosan Co Ltd	1Q24			●
	2Q24			●
MKS Instruments Inc	1Q24	●	●	●
	3Q24			●
Moncler SpA	2Q24			●
Mondelez International Inc	2Q24		●	●
	4Q24		●	●
MongoDB Inc	4Q24	●	●	●
Monolithic Power Systems Inc	2Q24			●
Montana Aerospace AG	2Q24			●
Morgan Stanley	4Q24			●
Mouwasat Medical Services Co	4Q24		●	●
Mr Cooper Group Inc	4Q24			●
MSA Safety Inc	3Q24		●	
Munich Re	1Q24			●
	4Q24	●		●
National Australia Bank Ltd	2Q24	●		
	4Q24	●		
National Bank of Kuwait SAKP	2Q24	●		●
NatWest Group PLC	2Q24		●	
Nedbank Group Ltd	2Q24	●		●
Nestle SA	2Q24		●	●
Netflix Inc	1Q24			●
News Corp	4Q24			●
Nexity SA	1Q24			●
	2Q24			●
Next PLC	3Q24			●
NextEra Energy Inc	4Q24	●		●
NIKE Inc	3Q24	●	●	●
Nippon Sanso Holdings Corp	4Q24			●
NiSource Inc	1Q24	●	●	●
Noble Corp PLC	4Q24	●		●
Norfolk Southern Corp	4Q24		●	●
Novartis AG	3Q24	●	●	
	4Q24	●		●
	4Q24		●	
Novo Nordisk A/S	3Q24	●	●	

Issuer	Quarter	E	S	G
Novocure Ltd	1Q24		●	●
NTPC Ltd	3Q24			●
Nutanix Inc	3Q24			●
NVIDIA Corp	4Q24	●	●	
Ocado Group PLC	2Q24			●
Old Dominion Freight Line Inc	3Q24	●		
Olympus Corp	4Q24			●
OMV AG	1Q24	●	●	●
On Holding AG	2Q24			●
OneMain Holdings Inc	1Q24		●	●
Orbia Advance Corp SAB de CV	3Q24	●		
Orsted AS	1Q24	●		
OTP Bank Nyrt	2Q24			●
Owens Corning	2Q24	●		
Pacific Biosciences of California Inc	2Q24			●
Palomar Holdings Inc	4Q24			●
Payoneer Global Inc	3Q24		●	
	3Q24		●	
	4Q24		●	●
Pearson PLC	2Q24			●
Penn Entertainment Inc	1Q24	●	●	
PepsiCo Inc	2Q24	●	●	●
Pernod Ricard SA	4Q24			●
PG&E Corp	1Q24	●		●
Philip Morris International Inc	2Q24			●
Pilbara Minerals Ltd	4Q24			●
PLDT Inc	1Q24	●	●	
Pliant Therapeutics Inc	4Q24			●
Polycab India Ltd	3Q24			●
Popular Inc	1Q24	●	●	
Power Finance Corp Ltd	1Q24	●	●	
Predictive Discovery Ltd	3Q24			●
Prologis Inc	1Q24			●
	3Q24	●		
Prosus NV	3Q24			●
Prysmian SpA	1Q24		●	●
Puma SE	4Q24			●
Pure Storage Inc	1Q24	●	●	●
	2Q24			●
Qatar National Bank QPSC	2Q24	●		
Quanta Services Inc	3Q24	●	●	
Ralph Lauren Corp	3Q24			●
	4Q24			●
Rayonier Inc	1Q24	●	●	●
RBC Bearings Inc	2Q24			●
Recruit Holdings Co Ltd	3Q24	●	●	●
Relay Therapeutics Inc	2Q24			●

Issuer	Quarter	E	S	G
Reliance Inc	3Q24	●	●	
RenaissanceRe Holdings Ltd	1Q24			●
Renault SA	3Q24	●	●	
Rentokil Initial PLC	1Q24			●
	2Q24	●		●
	2Q24	●		
	3Q24			●
Resona Holdings Inc	2Q24			●
Revvity Inc	4Q24	●	●	
Rio Tinto PLC	1Q24	●	●	●
Rockwell Automation Inc	3Q24	●		●
Ross Stores Inc	2Q24	●		●
Rumo SA	2Q24	●		
Safran SA	2Q24	●		●
Salesforce Inc	1Q24	●	●	●
Samsung C&T Corp	3Q24	●	●	●
Samsung Electronics Co Ltd	1Q24			●
	2Q24		●	●
	4Q24	●	●	●
Sandoz Group AG	4Q24	●		●
Sands China Ltd	1Q24	●	●	
Sanofi SA	2Q24			●
Sapphire Foods India Ltd	3Q24			●
Sarana Menara Nusantara Tbk PT	3Q24	●		●
Sartorius AG	3Q24	●	●	
Sartorius Stedim Biotech	1Q24			●
Sasol Ltd	1Q24	●		
Saudi Awwal Bank	2Q24			●
Saudi National Bank/The	2Q24			●
SBI Sumishin Net Bank Ltd	4Q24			●
SCB X PCL	1Q24			●
	1Q24	●	●	
Schoeller-Bleckmann Oilfield Equipment AG	2Q24			●
Seadrill Ltd	2Q24			●
Select Medical Holdings Corp	2Q24			●
Sempra	2Q24	●	●	●
	4Q24	●		●
Service Corp International/US	2Q24			●
ServiceNow Inc	4Q24			●
Seven & i Holdings Co Ltd	2Q24			●
	4Q24			●
Shell PLC	1Q24			●
	2Q24	●		●
Shenzhou International Group Holdings Ltd	4Q24	●	●	●
Shiseido Co Ltd	3Q24	●	●	●
Shurgard Self Storage Ltd	2Q24			●

Issuer	Quarter	E	S	G
Siemens AG	3Q24	●		
Siemens Healthineers AG	3Q24	●	●	
	4Q24			●
Silergy Corp	2Q24			●
Simon Property Group Inc	4Q24			●
SiteOne Landscape Supply Inc	4Q24		●	●
SJM Holdings Ltd	1Q24	●	●	
	2Q24	●	●	
SK Hynix Inc	1Q24			●
SM Investments Corp	1Q24	●		
SMC Corp	3Q24	●		●
Smiths Group PLC	3Q24			●
Sony Group Corp	3Q24	●	●	
South32 Ltd	1Q24	●	●	●
	3Q24		●	●
	4Q24	●	●	
Southern Co/The	2Q24	●		●
Southwest Airlines Co	4Q24			●
SPIE SA	3Q24	●		
Spirit AeroSystems Holdings Inc	1Q24		●	●
SpringWorks Therapeutics Inc	4Q24			●
Sprouts Farmers Market Inc	2Q24	●	●	
	3Q24	●	●	
	4Q24	●	●	
Standard Chartered PLC	3Q24			●
	4Q24			●
Steel Dynamics Inc	4Q24	●	●	●
Sumber Alfaria Trijaya Tbk PT	2Q24	●		●
Sumitomo Corp	4Q24	●		●
Sumitomo Densetsu Co Ltd	2Q24			●
Sumitomo Mitsui Trust Group Inc	1Q24	●		●
Suzhou Hailu Heavy Industry Co Ltd	3Q24	●	●	●
Svenska Cellulosa AB SCA	3Q24	●		
Tallgrass Energy Partners LP	3Q24	●		
Target Corp	2Q24		●	●
Tata Consultancy Services Ltd	2Q24			●
TE Connectivity PLC	2Q24	●		
Tech Mahindra Ltd	3Q24			●
TechnipFMC PLC	1Q24	●		
Teleflex Inc	2Q24	●		●
Telefonaktiebolaget LM Ericsson	1Q24			●
	1Q24			●
	4Q24			●
Telefonica Europe BV	4Q24	●	●	

Issuer	Quarter	E	S	G
Teleperformance SE	1Q24	●	●	●
	2Q24			●
	3Q24			●
	3Q24			●
Tencent Holdings Ltd	4Q24	●	●	●
Tencent Music Entertainment Group	2Q24			●
Tesla Inc	2Q24			●
	4Q24			●
	4Q24			●
Texas Instruments Inc	3Q24		●	●
Textron Inc	1Q24	●		●
	4Q24	●		●
Thales SA	1Q24			●
Tikehau Capital SCA	2Q24			●
Tokio Marine Holdings Inc	1Q24		●	●
	2Q24	●		●
Top Glove Corp Bhd	2Q24	●	●	●
Toyota Motor Corp	1Q24	●	●	●
	2Q24		●	●
	2Q24			●
	2Q24	●		●
	2Q24	●	●	●
	3Q24		●	●
Trane Technologies PLC	3Q24	●		
TransDigm Group Inc	1Q24			●
	3Q24			●
Travelers Cos Inc/The	1Q24	●		●
	2Q24	●	●	●
	4Q24	●		●
Turk Telekomunikasyon AS	1Q24	●		●
Turkiye Is Bankasi AS	4Q24	●		
Uber Technologies Inc	2Q24		●	●
	4Q24	●	●	
Ubisoft Entertainment SA	2Q24			●
UBS Group AG	2Q24		●	●
	4Q24	●		●
UCB SA	4Q24		●	●
Ultragenyx Pharmaceutical Inc	2Q24			●
	4Q24			●
United States Steel Corp	3Q24	●		
United Utilities Group PLC	4Q24	●		
UnitedHealth Group Inc	2Q24		●	
Upwork Inc	4Q24			●
US Bancorp	4Q24	●	●	
Vale SA	2Q24	●		
Ventas Inc	4Q24			●
Vertiv Holdings Co	2Q24	●		

Issuer	Quarter	E	S	G
Vesteda Finance BV	3Q24	●		
VF Corp	4Q24			●
Viatris Inc	4Q24			●
Victrex PLC	2Q24	●		●
Visa Inc	4Q24			●
Vistra Corp	3Q24	●		
Vodafone Group PLC	1Q24			●
Volkswagen AG	3Q24	●	●	
Vornado Realty Trust	1Q24			●
	1Q24	●		
Walmart Inc	4Q24	●	●	
Walt Disney Co/The	1Q24	●	●	
	4Q24			●
Warrior Met Coal Inc	2Q24			●
WaVe Life Sciences Ltd	3Q24			●
WE Soda Investments Holding PLC	2Q24	●		
Webster Financial Corp	4Q24			●
Wells Fargo & Co	2Q24	●	●	●
	3Q24		●	●
Welltower Inc	1Q24			●
Wendel SE	1Q24			●
Western Digital Corp	2Q24	●	●	●
Westinghouse Air Brake Technologies Corp	4Q24	●		●
Weyerhaeuser Co	4Q24	●	●	●
Wilmar International Ltd	1Q24	●	●	

Issuer	Quarter	E	S	G
Wise PLC	3Q24			●
Wizz Air Holdings Plc	3Q24			●
Woodside Energy Group Ltd	2Q24	●		
Worley Ltd	1Q24		●	●
	1Q24		●	●
	4Q24			●
Wynn Resorts Ltd	2Q24			●
X5 Retail Group NV	3Q24			●
	4Q24			●
Xcel Energy Inc	4Q24	●		●
Xero Ltd	3Q24			●
Xiaomi Corp	2Q24			●
Yangzijiang Shipbuilding Holdings Ltd	2Q24			●
Yifeng Pharmacy Chain Co Ltd	3Q24			●
YTO Express Group Co Ltd	1Q24	●	●	
Yum China Holdings Inc	2Q24		●	●
	4Q24			●
Zai Lab Ltd	2Q24			●
Zalando SE	1Q24			●
Zealand Pharma A/S	1Q24			●
Zebra Technologies Corp	4Q24			●
Zoetis Inc	3Q24	●	●	
Zomato Ltd	2Q24			●
Zscaler Inc	1Q24			●
Zurich Insurance Group AG	4Q24	●		●

SSA[2], securitised and municipal engagements

Issuer	Quarter	E	S	G
Aligned Data Centers LLC	1Q24	●		
Amur Equipment Finance Inc	1Q24	●		
Angel Oak Mortgage Trust I LLC	1Q24	●		
Ares Capital Corp	1Q24	●		
ARI Fleet Lease Trust	1Q24	●		
Asian Infrastructure Investment Bank	2Q24	●		
Australia	2Q24	●		
	3Q24	●		
BNG Bank NV	2Q24	●		
Brazil	2Q24	●		
	2Q24	●		
Bridgecrest Credit Co LLC	1Q24	●		
Canada	3Q24	●		
	4Q24	●		
CarMax Auto Owner Trust	1Q24	●		

Issuer	Quarter	E	S	G
Cedars-Sinai Health System	4Q24		●	
Chile	1Q24	●		
City of Atlanta GA Department of Aviation	3Q24	●		
City of New York	3Q24	●	●	
Clarus Capital Group AG	1Q24	●		
Clicklease LLC	1Q24	●		
Colombia	1Q24	●	●	
Côte d'Ivoire	3Q24	●		
	4Q24	●		
Council Of Europe Development Bank	2Q24		●	
Crescent Capital BDC Inc	1Q24	●		
Cyrusone Europe Finance DAC	1Q24	●		
	2Q24	●		
DLL Finance LLC	1Q24	●		

[2] SSA: Sovereign, supranational and agency.

Issuer	Quarter	E	S	G
Enterprise Fleet Financing LLC	1Q24	●		
European Bank for Reconstruction & Development	2Q24	●		
European Investment Bank	2Q24	●	●	
	4Q24	●		
European Stability Mechanism	2Q24	●	●	
European Union	2Q24	●		
Exeter Automobile Receivables Trust	1Q24	●	●	
Federal Home Loan Mortgage Corp	1Q24		●	
	4Q24	●	●	
Federal National Mortgage Association (FNMA)	1Q24		●	
	4Q24		●	
Ford Credit Auto Lease Trust	1Q24	●		
General Motors Financial Co Inc	1Q24	●		
GoldenTree Asset Management LLC	1Q24	●		
Great Lakes Water Authority	2Q24	●		
Hilton Grand Vacations Inc	1Q24	●		
Ingleside Presbyterian Retirement Community Inc	3Q24		●	
Inter-American Development Bank	3Q24	●		
International Bank for Reconstruction & Development	3Q24	●	●	
International Finance Corp	2Q24	●		
	2Q24	●		
Jack in the Box Funding LLC	1Q24		●	
Japan	2Q24	●		
Japan Finance Organization for Municipalities	2Q24	●		
Kaiser Foundation Health Plan Inc / Kaiser Foundation Hospitals	4Q24		●	
Kreditanstalt fuer Wiederaufbau (KfW)	2Q24	●		
	4Q24	●		
Kyrgyzstan	4Q24	●		
LAX Integrated Express Solutions LLC	4Q24	●	●	

Issuer	Quarter	E	S	G
Malaysia	2Q24	●		
Marriott Vacation Club Owner Trust	1Q24	●		
Metropolitan Transportation Authority	4Q24	●	●	
Metropolitan Washington Airports Authority	4Q24	●		
Mexico	1Q24	●		
Montenegro	1Q24	●		
Netherlands	2Q24	●		
New Zealand	2Q24	●	●	
Nordic Investment Bank	2Q24	●		
	4Q24	●		
Peru	1Q24	●		
Port of Portland OR Airport Revenue	3Q24	●		
Province of Ontario Canada	4Q24	●		
Rady Children's Hospital-San Diego	4Q24		●	
Redwood Trust Inc	1Q24	●		
Republic of Iceland	1Q24	●		
Rocket Mortgage LLC	1Q24	●		
Santander Drive Auto Receivables Trust	1Q24	●		
Serbia	2Q24	●		
SFS Auto Receivables Securitization Trust	1Q24	●		
Solar Mosaic Inc	1Q24	●		
State of California	3Q24	●		
State of Maryland	3Q24	●		●
	4Q24	●		●
Travel + Leisure Co	1Q24	●		
Uruguay	2Q24	●		
Washington Suburban Sanitary Commission	3Q24	●		
Waste Pro USA Inc	4Q24	●		
World Bank Group	1Q24	●		
	2Q24	●		

The specific securities identified and described are for informational purposes only and do not represent securities purchased, sold or recommended by T. Rowe Price. No assumption should be made that the securities identified were or will be profitable.

APPENDIX E

T. Rowe Price Investment Management (TRPIM)

Appendix E–
2024 corporate engagement activity

TRPIM engagements—Numbers by category

Given the composition of investment strategies managed by TRPIM throughout 2024, all engagements were conducted with corporate issuers located in the Americas. Engagement statistics by region and asset class are not applicable to the strategies managed by TRPIM.

By Market Capitalization	No. of Engagements
Private Companies	5
<US$2 billion	27
US$2 billion–US$10 billion	54
US$10 billion–US$50 billion	52
US$50 billion+	13

By Market Sector	No. of Engagements
Financials	33
Health Care	25
Information Technology	20
Industrials	19
Consumer Discretionary	15
Utilities	12
Materials	11
Energy	7
Consumer Staples	5
Real Estate	3
Communication Services	1

2024 TRPIM corporate engagements

Environmental (E), Social (S) and Governance (G) classifications of all company engagements.

Company name	Quarter	E	S	G
Agilent Technologies Inc	4Q24			●
Agree Realty Corp	4Q24	●		●
Albemarle Corp	1Q24		●	●
	1Q24		●	●
Alcoa Corp	4Q24	●		
Alcon AG	4Q24			●
Antero Resources Corp	2Q24		●	●
Argenx SE	1Q24			●
Ascendis Pharma A/S	1Q24		●	●
ASGN Inc	3Q24	●	●	●
Assurant Inc	4Q24	●	●	●
Atmos Energy Corp	1Q24	●		●
Avery Dennison Corp	4Q24	●		●
Axis Capital Holdings Ltd	4Q24	●		●
Bath & Body Works Inc	1Q24	●	●	●
Becton Dickinson & Co	3Q24	●	●	●
Biogen Inc	4Q24		●	●
Black Diamond Therapeutics Inc	2Q24			●
Blueprint Medicines Corp	2Q24			●
Bridgebio Pharma Inc	2Q24			●
Burlington Stores Inc	1Q24	●	●	●
BWX Technologies Inc	1Q24	●	●	●
CACI International Inc	4Q24		●	
Cadence Bank	4Q24	●	●	●
Casella Waste Systems Inc	1Q24	●		●
Casey's General Stores Inc	3Q24	●		●
Cboe Global Markets Inc	4Q24	●	●	●
CCC Intelligent Solutions Holdings Inc	2Q24	●	●	●
Cetera Financial Group. Inc.	2Q24	●	●	●
Champion Homes Inc	3Q24			●
Cheniere Energy Inc	3Q24	●		
Chesapeake Utilities Corp	1Q24	●	●	●
	2Q24			●
Clearwater Paper Corp	1Q24	●	●	●
Columbia Banking System Inc	2Q24			●
	4Q24			●
Corning Inc	4Q24	●		●
CRISPR Therapeutics AG	2Q24			●
Dollar General Corp	3Q24	●	●	●
Domino's Pizza Inc	4Q24			●
DTE Energy Co	2Q24	●	●	●
	4Q24	●	●	●
Element Solutions Inc	2Q24			●

Company name	Quarter	E	S	G
Endava PLC	3Q24			●
Enerflex Ltd	3Q24			●
Enerpac Tool Group Corp	1Q24			●
	3Q24			●
Enpro Inc	1Q24	●	●	●
Equifax Inc	4Q24	●		●
Equity Bancshares Inc	2Q24			●
Essential Utilities Inc	4Q24	●		●
Exelon Corp	4Q24	●	●	●
Expand Energy Corp	2Q24			●
Fair Isaac Corp	1Q24			●
	3Q24			●
First American Financial Corp	1Q24	●	●	●
Five9 Inc	1Q24			●
Fortive Corp	4Q24			●
GE HealthCare Technologies Inc	4Q24	●		●
Goldman Sachs Group Inc/The	2Q24	●	●	●
	3Q24	●	●	●
Goosehead Insurance Inc	3Q24			●
Helios Technologies Inc	1Q24	●	●	●
Herbalife Ltd	1Q24	●	●	●
Heritage Commerce Corp	1Q24	●	●	●
Hilton Worldwide Holdings Inc	1Q24	●	●	
Home BancShares Inc/AR	1Q24			●
	2Q24		●	●
HubSpot Inc	4Q24	●		●
Huntsman Corp	1Q24	●	●	●
IDACORP Inc	3Q24	●		●
Ingersoll Rand Inc	1Q24			●
Innovative Industrial Properties Inc	2Q24			●
Intercontinental Exchange Inc	2Q24		●	●
JB Hunt Transport Services Inc	1Q24	●		
John Marshall Bancorp Inc	2Q24		●	●
Keysight Technologies Inc	3Q24	●	●	●
Lattice Semiconductor Corp	4Q24	●		●
Liberty Energy Inc	2Q24	●		●
MacroGenics Inc	2Q24		●	●
Manhattan Associates Inc	1Q24		●	●
MarketAxess Holdings Inc	4Q24	●	●	●
Marriott Vacations Worldwide Corp	4Q24	●	●	●
Marsh & McLennan Cos Inc	2Q24	●	●	●
Marvell Technology Inc	2Q24			●
Matson Inc	4Q24	●	●	●

Company name	Quarter	E	S	G
McKesson Corp	4Q24	●		●
Meritage Homes Corp	2Q24	●	●	●
Merus NV	3Q24			●
MGE Energy Inc	4Q24	●		●
Midcontinent Communications	4Q24			●
MongoDB Inc	1Q24	●	●	●
Morgan Stanley	2Q24	●		●
Napco Security Technologies Inc	2Q24		●	●
Neogen Corp	4Q24			●
NeoGenomics Inc	1Q24		●	●
	2Q24	●	●	●
Novocure Ltd	4Q24			●
OGE Energy Corp	2Q24	●	●	●
Opendoor Technologies Inc	2Q24			●
Origin Bancorp Inc	2Q24			●
Orion SA	4Q24	●		●
Osaic Holdings Inc.	3Q24	●	●	●
Papa John’s International Inc	2Q24	●		●
	4Q24			●
Paycor HCM Inc	4Q24			●
Popular Inc	1Q24	●	●	
Post Holdings Inc	1Q24	●	●	●
PRA Group Inc	1Q24			●
ProAssurance Corp	2Q24			●
PTC Inc	1Q24	●	●	
Pure Storage Inc	2Q24			●
	4Q24	●		●
Quaker Chemical Corp	2Q24			●
Rapport Therapeutics Inc	3Q24			●
RBC Bearings Inc	2Q24			●
	3Q24	●		●
RenaissanceRe Holdings Ltd	1Q24	●	●	●
Revvity Inc	4Q24	●	●	●

Company name	Quarter	E	S	G
Reynolds Consumer Products Inc	2Q24	●	●	●
Royal Gold Inc	1Q24			●
RTX Corp	2Q24	●	●	●
Salesforce Inc	4Q24			●
Sarepta Therapeutics Inc	2Q24			●
Shake Shack Inc	4Q24		●	●
SiteOne Landscape Supply Inc	4Q24	●		●
Sonos Inc	2Q24	●	●	●
Sotera Health Co	3Q24	●	●	●
Southwest Gas Holdings Inc	1Q24	●		●
STERIS PLC	4Q24	●	●	
Strattec Security Corp	1Q24	●	●	●
Syndax Pharmaceuticals Inc	1Q24			●
Talen Energy Corp	1Q24	●	●	●
TechnipFMC PLC	1Q24	●	●	●
	4Q24	●		●
Texas Capital Bancshares Inc	4Q24		●	●
Texas Roadhouse Inc	2Q24	●		●
	4Q24	●	●	●
Textron Inc	1Q24	●	●	●
Tradeweb Markets Inc	1Q24	●	●	●
United Rentals Inc	4Q24	●		
Veeva Systems Inc	2Q24			●
Veritex Holdings Inc	1Q24			●
Virtus Investment Partners Inc	1Q24		●	●
Vishay Intertechnology Inc	2Q24			●
Vontier Corp	4Q24	●	●	●
Voya Financial Inc	4Q24		●	●
Vulcan Materials Co	1Q24	●	●	●
Webster Financial Corp	4Q24	●	●	●
White Mountains Insurance Group Ltd	4Q24	●	●	●
Wyndham Hotels & Resorts Inc	4Q24	●	●	●

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