



Reason for interaction	Reason for interaction
<input type="checkbox"/> To support investment decisions relating to the company's ESG issues	<input type="checkbox"/> To support investment decisions relating to the company's ESG issues
<input type="checkbox"/> To influence corporate practice for areas of the company's ESG issues	<input type="checkbox"/> To influence corporate practice for areas of the company's ESG issues
<input type="checkbox"/> To encourage improved ESG practices	<input type="checkbox"/> To encourage improved ESG practices
<input type="checkbox"/> To set or to engage on other ESG	<input type="checkbox"/> To set or to engage on other ESG
<input type="checkbox"/> To support corporate practice for areas of the company's ESG issues	<input type="checkbox"/> To support corporate practice for areas of the company's ESG issues
<input type="checkbox"/> To influence corporate practice for areas of the company's ESG issues	<input type="checkbox"/> To influence corporate practice for areas of the company's ESG issues
<input type="checkbox"/> To encourage improved ESG practices	<input type="checkbox"/> To encourage improved ESG practices
<input type="checkbox"/> To set or to engage on other ESG	<input type="checkbox"/> To set or to engage on other ESG

# CLIMATE TRANSPARENCY REPORT

## 2019

T. Rowe Price

# About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here ([https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-6BE37139-43FA-4B7F-B62C-8B7163C05758/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-6BE37139-43FA-4B7F-B62C-8B7163C05758/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/)). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

## TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

# ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

## MAIN CHARACTERISTICS

<b>Name</b>	T. Rowe Price
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ > 50 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Internally Managed
<b>Signed PRI Initiative</b>	2010
<b>Region</b>	North America
<b>Country</b>	United States
<b>Disclosure of Voluntary Indicators</b>	100% from 38 Voluntary indicators

T. Rowe Price

Reported Information

Public version

Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

At T. Rowe Price, our central mission is to help our clients reach their long- term financial goals. Consistent with that objective, we have an obligation to understand the long- term sustainability of the companies in which we invest - which is why environmental, social and governance (ESG) factors are a key consideration in our investment approach. As ESG-integration is an enhancement to achieving a financial goal, we believe it can be applied across a wide spectrum of portfolios. As such, T. Rowe Price has developed in-house, proprietary ESG research tools and expertise that our investors can leverage.

In some cases, our clients have elected to place a values goal ahead of financial performance. This type of portfolio is usually classified as a 'socially responsible investment' and managed through separate accounts or funds with an explicit approach. We believe that negative screening or exclusion based solely on ESG factors needs to be paired with a client's value requirements. In other words, where a decision to exclude a security is made without consideration of other investment factors - such as financial fundamentals and valuation - there is the potential for a trade-off of financial returns in exchange for a value-driven objective.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Our responsible investment policies seek to protect our clients, associates, and stockholders. Our policies have been set by our responsible investment team, approved by our Chief Investment Officer along with our investment division heads, and applied across our AUM. All portfolios are managed to provide long-term reward commensurate with acceptable risk.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

**SG 01 CC**

Voluntary

Public

Descriptive

General



**SG 01.6  
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

Our investment professionals capture the impact of climate change as part of their fundamental investment research. Additionally, climate change factors are systematically identified in our proprietary ESG analysis (the Responsible Investor Indicator Model or RIIM). The model is helpful in identifying climate change related issues not normally detected by traditional financial analysis.

We believe that RIIM is particularly useful as it pro-actively and systematically identifies climate change considerations beyond greenhouse gas emissions. While carbon is the focus of public debate and data is widely available, we believe limiting analysis to this factor is short-sighted. Many other climate change factors - such as water availability, local pollution and waste management - are more likely to be catalysts for regulatory change.

Another important factor when considering climate change in our analysis is our investment time horizon. Our analysts and portfolio managers are evaluated on performance figures ranging from 3 to 10+ years. While these time periods are still short in the context of the multi-decade impact of climate change, they are long enough to avoid "short-termism" in our investment approach. In addition to having a long-term time horizon, our actively managed portfolios are not required to hold an investment. We believe this flexibility will be an advantage for active investors as the risk of climate change begins to manifest itself in asset prices over time.

We believe that our combination incorporating climate change risks and opportunities in our fundamental research coupled with the systematic evaluation provided by our RIIM analysis is a real strength in our analysis as the impact of climate change on a specific investment can be complex. While, in some cases, considering the impact of climate change on an investment can be relatively straight-forward (i.e. a company can be a net beneficiary or loser due to its end product), we find that in most cases its impact requires deeper evaluation.

Most companies will feel a pull and push effect from climate change factors through different aspects of their business model. For example, a food company may benefit from consumer demand for organic products but suffer when a drought impacts its agricultural supply chain. Semiconductor manufacturers benefit from digitization, a notable portion of which is driven by energy efficiency, but then face an operational risk based on power and water supplies.

In these cases, it is about understanding how a company is managing its climate change exposure and the adaptability of its business model to a lower carbon world. Countries and municipalities face this same pull and push from climate change - some will be in a better position to handle the effects and others may have to work much harder. Whatever the case, our analysts and portfolio managers must be able to understand these dynamics.

**SG 01.7  
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

- Yes  
 No

**SG 01.9  
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes  
 No

Explain the rationale

We do not currently publicly support the TCFD.

Yes

Describe

Our guiding philosophy is to act in the best interest of our clients and their long-term financial success. The same philosophy guides our approach and commitment to conducting business in ways that help minimize our environmental impact. We believe our efforts will yield long-term benefits for this and future generations. We address environmental sustainability through three core areas: environmental impact, reporting and transparency, and associate engagement.

Environmental Impact:

We continuously strive to improve our environmental performance in the following areas:

- Energy Use: Manage our energy consumption by incorporating energy management and conservation design practices in the renovations and construction of our office buildings and technology centers.
- Waste and Recycling: Conserve natural resources by reusing or recycling materials through single-stream recycling, electronics recycling, and composting to decrease landfill waste.
- Water: Conserve water inside our buildings and throughout our landscape using low-flow water fixtures, sourcing plant species that demand less water, and regularly measuring water consumption.
- Business Partners: Strive to select business partners that share our values and support us in minimizing environmental impacts in certain areas, such as the responsible disposal of electronics equipment and sourcing of building materials.
- Workplace Environments: Provide a safe and healthy workspace for our associates by monitoring thermal comfort and indoor air quality and maximizing access to natural daylight.

Reporting and Transparency:

We carefully evaluate our environmental performance to improve our environmental management practices and decision-making through a commitment to:

- Performance: Measure and analyze our environmental performance through comprehensive annual self-assessments.
- Transparency: Publicly report our environmental performance through participation in the annual Carbon Disclosure Project and periodic Corporate Social Responsibility reports
- Environmental, Social, and Governance (ESG): Effectively incorporate ESG risk considerations into our fundamental investment analysis and regularly evaluate, update, and publicly share our ESG Investment Policy.

Associate Engagement:

We value our associates and their commitment to providing high-quality services to our clients. Associates share our commitment to our communities through their active involvement in:

- Community-Based Volunteer Events: Provide associates with environmentally focused volunteer opportunities in support of causes important to our local communities.
- Sustainability Teams: Encourage associate participation in our Sustainability Teams to empower associates, foster teamwork, and reduce the firm's environmental impact. Located at most of our major offices worldwide, these teams develop and propose environmental initiatives to the firm's Sustainability Advisory Committee, which is chaired by the head of Corporate Social Responsibility.

The firm's Sustainability Advisory Committee is responsible for governance and oversight of the T. Rowe Price Environmental Policy. The committee is also responsible for reviewing and updating the policy when appropriate.

No

<b>SG 1.12 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------	---

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify
---------

We publicly report our environmental performance through participation in the annual Carbon Disclosure Project and periodic Corporate Social Responsibility reports.

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
--------------	------------------	---------------	----------------------	--------------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

- Policy setting out your overall approach

URL/Attachment
----------------

- URL

URL
-----

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/ESG%20Policy.pdf}

- Attachment (will be made public)

Attachment
------------

[File 1:ESG Policy.pdf](#)

- Formalised guidelines on environmental factors

URL/Attachment
----------------

- URL

URL
-----

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/guidelines-for-incorporating-environmental-and-social-factors.pdf}

- Attachment (will be made public)

Attachment

[File 1:guidelines-for-incorporating-environmental-and-social-factors.pdf](#)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/guidelines-for-incorporating-environmental-and-social-factors.pdf}

Attachment (will be made public)

Attachment

[File 1:guidelines-for-incorporating-environmental-and-social-factors.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Booklet\_SC.pdf}

Attachment (will be made public)

Attachment

[File 1:ESG at T. Rowe Price 3Q18.pdf](#)

Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Booklet\_SC.pdf}

Attachment (will be made public)

Attachment

[File 1:ESG at T. Rowe Price 3Q18.pdf](#)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/guidelines-for-incorporating-environmental-and-social-factors.pdf}

Attachment (will be made public)

Attachment

[File 1:guidelines-for-incorporating-environmental-and-social-factors.pdf](#)

Sector specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/guidelines-for-incorporating-environmental-and-social-factors.pdf}

Attachment (will be made public)

Attachment

[File 1:guidelines-for-incorporating-environmental-and-social-factors.pdf](#)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Booklet\_SC.pdf}

Attachment (will be made public)

Attachment

[File 1:ESG at T. Rowe Price 3Q18.pdf](#)

Engagement policy

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/Engagement%20Policy.pdf}

Attachment (will be made public)

Attachment

[File 1:Engagement Policy.pdf](#)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/Proxy%20Voting%20Guidelines.pdf}

Attachment (will be made public)

Attachment

[File 1:Proxy Voting Guidelines.pdf](#)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Booklet\_SC.pdf}

Attachment

File Attachment

{hyperlink:ESG at T. Rowe Price\_3Q18.pdf [1061KB]}

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Booklet\_SC.pdf}

Attachment

File Attachment

{hyperlink:ESG at T. Rowe Price\_3Q18.pdf [1061KB]}

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Booklet\_SC.pdf}

Attachment

File Attachment

{hyperlink:ESG at T. Rowe Price\_3Q18.pdf [1061KB]}

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Booklet\_SC.pdf}

Attachment

File Attachment

{hyperlink:ESG at T. Rowe Price\_3Q18.pdf [1061KB]}

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/ShareholderActivismJun18.pdf}

Attachment

File Attachment

{hyperlink:ShareholderActivismJun18.pdf [115KB]}

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Boklet\_SC.pdf}

Attachment

File Attachment

{hyperlink:ESG at T. Rowe Price\_3Q18.pdf [1061KB]}

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

{hyperlink:https://www4.troweprice.com/gis/content/dam/ide/articles/pdfs/C1K6SGXLJ\_A5ESG%20Boklet\_SC.pdf}

Attachment

File Attachment

{hyperlink:ESG at T. Rowe Price\_3Q18.pdf [1061KB]}

We do not publicly disclose any investment policy components



**SG 02.3**

Additional information [Optional].

T. Rowe Price's ESG-related policies and guidelines can be found at the following weblink.

<https://www4.troweprice.com/gis/institutional/uk/en/insights/collections/common-collections/environmental-social-and-governance.html>

## Governance and human resources

**SG 07 CC**

Voluntary

Public

Descriptive

General

**SG 07.5  
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

<b>SG 07.6 CC</b>	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
-----------------------	--

The Nominating and Governance committee of the Board of T. Rowe Price has oversight over ESG related to our investment activities. The Nominating and Governance committee receives an annual update on the incorporation of ESG factors into the investment process.

<b>SG 07.7 CC</b>	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
-----------------------	--

We consider climate change risks/opportunities within our ESG integration framework, so the oversight structure for ESG integration applies. Oversight for ESG integration is held at the senior management level specifically with Head of Investments and Group Chief Investment Officer, Rob Sharps, and co-head of Global Equity, Eric Veiel. Our dedicated, in-house ESG resources report directly to the senior management level with the DOR, Responsible Investing (Maria Elena Drew) reporting to Mr. Sharps and the Head of Governance (Donna Anderson) reporting to Mr. Veiel. The Directors of Research for equity and fixed income have oversight over investment analysts and how they implement ESG factors in their investment process, which is a component of each analyst's annual performance review. In assessing an analyst's implementation of ESG factors, the DORs will receive input from DOR, Responsible Investing and Head of Governance. Our analysts and portfolio managers are responsible for implementation. It is the analyst's responsibility to incorporate ESG risk analysis into the investment decision. Consideration of the full spectrum of risks most applicable to a given company or industry is reflected in our analysts' ultimate recommendation on a company's securities. Depending on the strategy, portfolio managers may apply extra layers of implementation by screening their portfolios for ESG issues on a periodic basis. Our Responsible Investing subject-matter experts are focused on implementation of ESG factors into our investment processes by providing research, tools and support to our global team of investment analysts and portfolio managers. These specialists have accountability over this area through our regular performance review process.

The firm takes a comprehensive approach to identify risks and opportunities-including climate change-at the company and asset levels through an enterprise risk management framework, managing reputational risk, strategic risk, operational risk, business continuity risk, human capital risk, compliance risk, and financial risk. Our approach to identifying environmental risks includes the consideration of extreme weather events, uncertainty surrounding regulation, reputational impacts, and our ability to attract and retain human capital. Our Enterprise Risk Group (ERG) conducts assessments of the risks that our firm faces in the short, medium, and long terms. The corporate risk profile informs the Risk Management Oversight Committee of the key risks the firm faces to help prioritize how we focus on risk mitigation across the firm. The ERG is responsible for leading our risk management efforts by partnering with business units to identify risks, understand acceptable levels of risk, and implement solutions that mitigate exposure to risk. The firm employs a multilayered approach to identify risks and opportunities associated with individual physical locations, led by our Business Continuity Committee, which reports to the ERG. This multilayered approach ensures that we are able to quickly identify and thoroughly respond to risks and opportunities, thereby reducing the impact on the firm and our clients. External events, such as severe weather events or other natural disasters, receive ongoing attention given their potential impact on executing business activities, facilities and related infrastructure and technologies.

## ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	------------------	---------------	--------------------	--------------

<b>SG 13.1</b>	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
----------------	--

Yes, to assess future ESG factors

	Describe
--	----------

We undertake scenario analysis related to future ESG factors on individual investments, but not systematically across portfolios.

- Yes, to assess future climate-related risks and opportunities

Describe

We undertake scenario analysis related to future climate risks on individual investments, but not systematically across portfolios.

- No, not to assess future ESG/climate-related issues

**SG 13.2** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

T. Rowe Price’s multi-asset portfolios are made up of T. Rowe Price funds that have ESG-integration embedded in their investment process.

- We do not consider ESG issues in strategic asset allocation

<b>SG 13 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
-----------------	------------------	---------------	--------------------	----------------

**SG 13.4 CC** Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment
- Incorporation into investment analysis

Describe

We execute scenario analysis which includes factors representing the investment impacts of future environmental and social trends (including climate change). Our scenario analysis is conducted at the investment level (not the overall portfolio level) and will vary by industry and region. When conducting scenario analysis around climate change factors, we have used numerous forecasts as set by the IPCC, IEA and the INDC submissions made for the Paris Climate Accord in 2015.

- Inform active ownership

Describe

The results of our scenario analysis can be a useful talking point when discussing the potential impact of climate change with company managements.

- Other

**SG 13.5  
CC**

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

**SG 13.6  
CC**

Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

- Yes
- No

**SG 13.7  
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8  
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input checked="" type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="border: 1px solid black; background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> INDC submissions.
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
-------	---	--------	---------------------	-------

**SG 14.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Extensive analysis on &quot;solutions providers&quot; to lower global carbon emissions. Much of this focus has been on energy generation, chemicals and transportation sector.

- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Provided training opportunities and hosted group discussions for analysts in order to improve our ability to assess the long-term risks and opportunities.

- None of the above

<b>SG 14.3</b>	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
----------------	--

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

<b>SG 14.5</b>	Additional information [Optional]
----------------	-----------------------------------

We believe that long-term environmental, social, and governance (ESG) issues, including climate change, can influence investment risk and return and, therefore, we incorporate such considerations into our fundamental investment analysis. The implications of climate change are creating rapidly changing regulations and consumer demands around the world. Our investment professionals capture the impact of climate change as part of their ESG analysis, which is embedded in our investment process. Additionally, our proprietary responsible investing model (RIIM) pro-actively and systematically screens for climate related risks and opportunities.

We believe that speaking with company managements and other stakeholders about climate change is a good way to gather valuable investment insights as to the management's process for assessing long-term risks and helps reinforce the notion that climate-related risk assessment should remain a priority. We believe companies that engage in long-term strategic planning, including in-depth analysis of ESG factors such as climate change, benefit from that experience. Looking inward to assess their own mission and purpose, to think about how the competitive landscape is evolving over long periods of time, and to consider how changes in the broader community might affect the company are all processes that improve the alignment of the company's direction with the interests of long-term shareholders. Furthermore, when a company's radar is tuned into long-term climate and societal shifts, it may be better positioned to create new opportunities.

Engagement with management teams or board members on climate change is usually conducted as part of a multifaceted discussion on many investment considerations for that particular company but occasionally could focus only on climate change implications. Given that T. Rowe Price has predominantly actively managed portfolios, we have the option not to invest in a company with onerous climate change risk. As a result, our engagements on specific ESG issues like climate change tend to be in-depth discussions, where we believe our engagement can be effective.

<b>SG 14 CC</b>	Voluntary	Public	General
-----------------	-----------	--------	---------

<b>SG 14.6 CC</b>	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
-------------------	---

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Total carbon emissions</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Identify company performance	Scope 1 + 2 (Sustainalytics)	data point in RIIM model
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Identify company performance	Scope 1 + 2 / revenues (Sustainalytics)	data point in RIIM model

<b>SG 14.8 CC</b>	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
-----------------------	---

- Process for climate-related risks is integrated into overall risk management

	Please describe
--	-----------------

Climate change risks and opportunities impact our decisions as an investment manager by informing whether to invest or retain investment in particular companies. Our investment decision processes consider climate change risks and opportunities depending on the nature of the company and its underlying business. Our analysts and portfolio managers are responsible for implementation. It is the analyst's responsibility to incorporate ESG risk analysis into the investment decision. Consideration of the full spectrum of risks most applicable to a given company or industry is reflected in our analysts' ultimate recommendations on a company's securities. Depending on the strategy, portfolio managers may apply extra layers of implementation by screening their portfolios for ESG issues on a periodic basis. Our responsible investing subject-matter experts are focused on implementation of ESG factors into our investment processes by providing research, tools and support to our global team of investment analysts and portfolio managers. These specialists have accountability over this area through our regular performance review process.

In addition to our investment analysts' fundamental research, climate change factors are systematically identified in our Responsible Investor Indicator Model. The model helps our analysts and portfolio managers identify climate change related issues not detected by traditional financial analysis. RIIM helps keep climate change considerations on their radar. RIIM is particularly useful as it systematically identifies climate change considerations beyond greenhouse gas emissions. While carbon is the focus of public debate and data is widely available, we believe limiting analysis to this factor is short-sighted. Many other climate change factors - such as water availability, air pollution, etc. - are more likely to be catalysts for regulatory change.

- Process for climate-related risks is not integrated into our overall risk management

<b>SG 14.9 CC</b>	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
-----------------------	--

- Yes



Please describe

We do not have a formal or systematic process for encouraging companies to make TCFD disclosures, however, we regularly advise and make recommendations to companies on ESG disclosures. This often includes a discussion on TCFD disclosures.

No, we do not engage

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	--	---------------	--------------------	--------------

**SG 15.1** | Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No