Impact Investing Whitepaper

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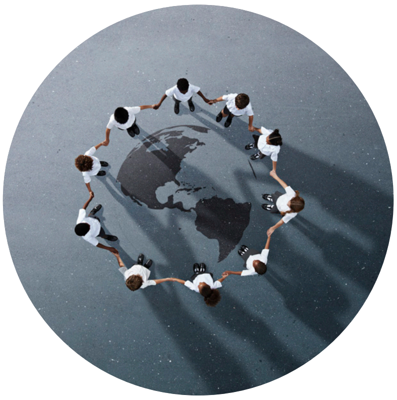
Contents



Welcome to CAMRADATA's Impact Investing Whitepaper

Traditionally, Impact Investing was restricted to projects with little connection to public markets. It was born out of the sharpening accountability of international development agencies. The UN's Sustainable Development Goals have similar origins. But as ESG becomes standard for both corporates and their investors, Impact is now seen as the strident form of investing for those asset owners who want to lead on sustainable and social change.

For some types of asset owner such as charities and foundations, Impact accords naturally with their mission. For others, such as pension funds and insurers, the challenge is understanding the taxonomy of Impact investing and how to apply it to their portfolios. It is not as if these organisations are short of tasks to do. ESG may be standard but it is still very much a work in progress. This is most evident in the EU's SFDRs, where deadlines for implementation have been set before detailed guidance has been made available. Regulation such as SFDR will doubtless spur more Impact investing. The question is how long it will take organisations to digest all the ESG requirements required to comply with Article 8 before tackling Article 9.

Impact Investing Roundtable

The CAMRADATA Impact Investing Roundtable took place in London on 3rd March 2022.

As regulation obliges companies and their investors to evaluate sustainability in both policy and day-to-day decisions, so the majority of long-term assets will by the end of this decade be inherently ESG. The question then is whether investors advance one step further and make impact investing the norm. To get a sense of the rate of progress, CAMRADATA asked panellists at the 2022 Impact Investing Roundtable whether Impact was already core or still a satellite strategy. Celine Legaspi, manager researcher in the private markets team at investor consultancy, Redington, began by saying that it had Impact-related manager lists in asset classes such as public and private equity, private credit, social housing, and renewables, and these strategies are offered to all relevant clients.

Amanda Latham, policy & strategy lead at Barnett Waddingham, a pension fund consultancy, said she took a different approach to core/satellite: "I would contrast older defined benefit (DB) schemes with master trusts. Cushon, for example, is a Master Trust with an Impact default offering - comprising several different asset classes – that targets environmental and social issues."

Latham said funds in the Local Government Pension Scheme, which is DB and still open, might be looking at an allocation to Impact, but that does not mean all investments will be aiming to have a positive social or environmental impact. "Disclosure requirements will bring understanding of Impact into the whole investment process," she said. "Therefore, it becomes core to everyone's thinking."

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Cadi Thomas, head of ESG research at pension fund consultancy, Isio, concurred with Latham's distinction by type. She noted that most company-sponsored DB schemes are derisking, while many Impact strategies are in higher-risk illiquid opportunities, such as natural capital.

Regarding clients' understanding of Impact, Thomas said it started with their objectives. Some might relate to UN Sustainable Development Goals (SDGs); some identifying broader focus areas such as Human Rights or Climate Change. She said there was influence on some client schemes coming from their sponsor's own sustainability policies, including alignment with SDGs.

Matt Lawton, portfolio manager of T. Rowe Price's Global Impact Credit strategy, asked the consultants whether clients want a narrow focus on impact, for example just on climate.

Legaspi responded that it was a mix. She noted that net-zero, for example, was the default recommendation from Redington (with an aim for clients to achieve a 50% reduction in carbon emissions by 2030) but some clients are further along the line.

Alasdair Maclay, chief funds officer at the Global Steering Group for Impact Investment, said that many organisations GSG engages with, such as foundations, are 100% core impact. He gave the example of the Ford Foundation, "at the forefront of social equity." Pension funds, by contrast, are way behind and Sovereign Wealth Funds even further behind, according to Maclay. "Impact is not core for most asset

"We consciously try to talk about Social but there aren't as many products available in this space. Isio is also anticipating more being done to incorporate biodiversity targets into investment strategies."

owners but they have a pocket," he told the CAMRADATA panel.

Having said this, Maclay noted how fast things were moving in this area. He quoted the Impact Investment Institute's 2020 figure for Impact strategies in the UK of £58bn. "This will all be out-of-date very soon because of the speed of growth in Impact investment," he said. "That in turn raises questions about taxonomy."

Lawton said: "For us, Impact is for clients who wish to align their capital with values, while seeking real world impact outcomes. We think clients will increasingly view Impact as core; as such, we chose a widely accepted benchmark to capture that broad appeal."

He described standing up an Impact strategy as both challenging and rewarding. "We spent years planning the Global Impact Credit strategy before bringing it to market. It's been humbling but also highly motivating given the increasingly fertile ground of investment opportunities presenting both impact and alpha potential," he said. "The last five years have been focused on Socially Responsible and Sustainability investment approaches; the next five years will be Impact."

The findings from a Barnett Waddingham survey suggest he may be right. At the end of 2021, 11% of clients already had some impact investments while 39% plan on making some during the next 24 months. Latham noted that this left half the respondents saying no to Impact, but she still viewed the results as a glass half-full.

The panel then explored the distinctions between ESG investing and Impact that might result in Lawton's prediction coming to pass. Legaspi said ESG was something everyone could be doing, i.e. financially material ESG factors. "Impact is something separate with an additional lens," she said. On client understanding of the distinction, Legaspi said there had been no pushback since Redington had made its declaration on net-zero alignment: "Instead, clients are coming forward for more. It is a matter of education: reporting requirements are coming up really quickly."

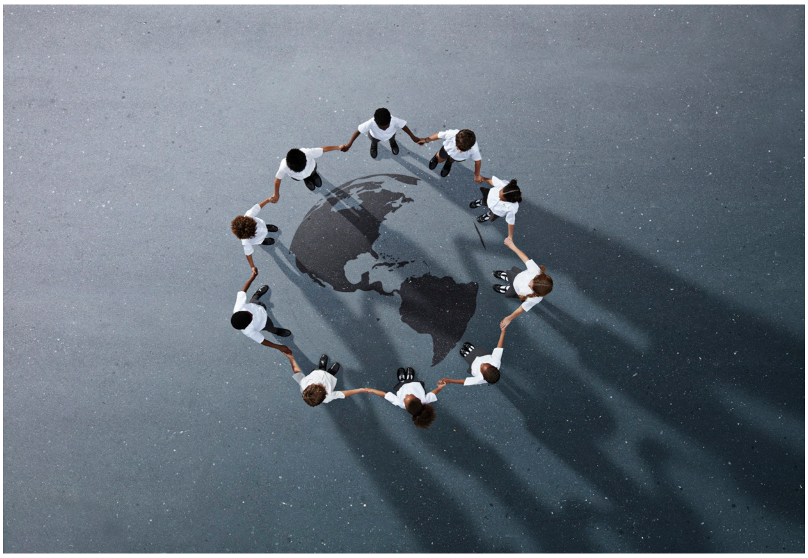
Latham said that ESG risk-return characteristics get managed in the price. Impact, on the other hand, adheres to financial but also environmental and social objectives. "It's a journey," she added. "Disclosure is moving and allocations are following in the same direction."

Lawton claimed that the T. Rowe Price Global Impact Credit strategy gives equal priority to financial and impact objectives, incorporating intentionality and ex-post measurement of impact into the investment process. He said that his team also brings additionality to the process by engaging directly with issuers to progress their impact journey.

Thomas said that rating a fund by its level of broad ESG integration was well established but assessing its Impact characteristics entailed asking additional challenging questions. In terms of investment strategies, she said there were far fewer options in Social than Environmental. "We consciously try to talk about Social but there aren't as many products available in this space." Isio is also anticipating more being done to incorporate biodiversity targets into investment strategies.

Legaspi said natural capital was one area where yields are currently minimal but potential for natural inflation-linkage and the potential growth in Carbon Credits is the bait investors are already taking. "Carbon Credits will drive that interest. It's an active research project for Redington right now," she said. "The forestry framework has been quite helpful on understanding the nexus of impact and returns."

Latham pointed out that people talk about the predominance of



Environmental targets but the Paris Agreement includes Social criteria as part of a Just Transition. She said that Covid had reminded us all that Social criteria were vital.

Washing does not help

The conversation then progressed to Impact-washing and how to prevent it. Maclay put faith in the International Sustainability Standards Board, still in gestation, to offer a "competitive edge in Impact risk-return metrics and open-source standards."

Latham said that Impact measurement can be intensive, depending on the level of scrutiny. For a local authority pension fund client, Kings College London do the "incredibly intensive research" on a social housing initiative because none of the established frameworks for investors measure what the fund manager was trying to achieve. In part this is because the frameworks may be more focused on corporates rather than social providers. The aims of this initiative included tackling homelessness, health inequalities and finding employment. On client understanding, Latham noted that local authorities have housing departments and thus, institutional knowledge of this area. So social housing does make sense for them as an investment choice.

Thomas said Isio have built a database of roughly 500 self-defined Impact and sustainability funds, and that the key challenge for consultants is to identify those best-in-class products that align with clients' ESG beliefs and objectives. Thomas asked Latham how Barnett Waddingham seek to identify investment products that generate impact without scarifying financial return.

Latham responded that the track record of managers from previous funds was one indicator. She then turned the question round and asked what the client wants to measure and whether there was any conflict between the impact and financial return.

On track records, Legaspi said there had been a proliferation of Impact funds over the last three years. That might be good news for the future but leaves manager researchers having to dig deep to understand Impact now. The type of scenario-based question Redington asks, for example, is what a manager would do to escalate engagement if any particular investment wasn't going according to plan.

Lawton said: "We see a lot of interest from clients, but they are so early in their journey. They want Impact but they're not entirely sure what it means. They tend to associate Impact with just green bonds." T. Rowe Price is not in favour of mandates determined by labels. As an example of why details matter more, he gave the example of a recent major online retailer that offered a whole list of impact projects in the prospectus for its sustainability bond, but asterisked that the projects were illustrative, not definite recipients of the proceeds.

"Frameworks have improved," said Lawton. "Investors are becoming more discerning." Nevertheless, current regulations do not preclude issuers from such attempts at Impact-washing. "Unfortunately, for some issuers, it has become something of a tick-box exercise. The second opinion on these issues – and issuers - really comes from the prospective creditors, the likes of T. Rowe Price," said Lawton.

"On track records, Legaspi said there had been a proliferation of Impact funds over the last three years. That might be good news for the future but leaves manager researchers having to dig deep to understand Impact now."

A fundamental element of the T. Rowe Price Global Impact Credit strategy is an interrogation of the funded projects at issuance as well as a 12-month follow-up to track where proceeds were allocated and the associated measure of impact delivered.

Regarding the regulatory scrutiny of Impact strategies themselves, rather than individual issuance, Lawton said he had been on the receiving end of some tough questioning from the UK's Financial Conduct Authority ahead of the launch in the UK of the T. Rowe Price Global Impact Credit strategy. "I've had root canal dentistry that was less invasive," he told the CAMRADATA roundtable.

Thomas then said that Key Performance Indicators at security level is useful but that the aggregation of these indicators up to portfolio level is of particular interest to clients. She asked Lawton how his team deals with that. He responded that the team worked security by security on a bottom-up basis using the Impact Management Project's Five Dimensions of Impact framework. He said that you have to acknowledge the negatives that come alongside the positives if you want a true net Impact score: "For every bond in the portfolio, we have to have impact alignment with proceeds or revenue."

He spotlighted the pharmaceutical industry. "While many companies are improving patient outcomes, I have struggled with excessive pricing and gross margins," said Lawton. "One has to weigh the negative social externalities." His strategy thus far has preferred to invest in a "complete Impact story"; a manufacturer of generic drugs serving populations in Emerging Markets.

This brought the panel back to Lawton's earlier assertion that financial and ex-financial criteria have equal priority. "Our investment process is not built just on credit analysts' best picks," he explained. "Step One is always impact. Then we interrogate the fundamental credit characteristics."

There remains ambiguity, however, about what sort of returns come from Impact investing. Maclay noted that there are loads of opportunities in concession finance, but that puts a clear social return higher than the financial return. Moving up and out in terms of return, he noted that with development finance, the largest pension managers can still "make choices re the impact-risk-return balance" because of their breadth of opportunities elsewhere. He gave the example of APG, which has recently teamed up with ILX in this space. In another deal focused on impact investment, often alongside DFIs, Maclay noted Temasek of Singapore's US$500m mandates with Leapfrog and others.

He reckoned that his ex-employer, CDC was able to generate 5% per year on a very diversified £5bn portfolio of development finance investments (almost all equity).

Latham, nevertheless, insisted that while returns might look the same, the risks relative to UK gilts were not." She blamed regulations such as the new funding code for driving risk out of the market and preventing people going down this path. The tension as she saw it was between growing the economy and pension schemes de-risking. "Pension fund trustees don't have exposure to Development Finance so they need to get comfortable with this," said Latham.

Lawton said that his strategy cannot do project-level finance. It can and does, however, buy bonds issued by Development Banks. He said they offer a few basis points over the risk-free rate; and in a diversified portfolio offer high-quality defensive characteristics to offset higher-risk investments.

Queen for a day

The CAMRADATA panel was then asked, which impact policy they would implement if they were leader of their country for one day?

Legaspi went first and opted to be president of the Philippines, her home country. She noted that while the Philippines are ahead of other South-East Asian countries in terms of climate awareness, there was still much to be done. She would push for progress on the 'S' dimension and introduce a social taxonomy applicable to ASEAN countries.

Lawton went next and promised to reverse ERISA legislation guiding US pension plans that impact is not aligned with their fiduciary duty.

Latham went for being world president and wanted negative externalities priced into corporate activities "at their outset". With those costs defined upfront, then the money would get put into escrow to pay for their consequences. She noted that the debate over fossil fuels was easier in countries which no longer depended on them much for employment. In Australia, her native country, fossil fuels were a source of wealth it was proving hard to relinquish.

On that point, Thomas noted post-COP26 that nations are trying to protect their workforces. They have not thought through the plans for transition and what new jobs the workforce could do in a sustainable economy.

Maclay said that transition has to be overseen at a global level, which is why he would also opt to be world president. His policy would be mandatory Impact scores, making Impact investing transparent so

"The CAMRADATA panel was then asked, which impact policy they would implement if they were leader of their country for one day?"

that clients could understand the benefit their savings were having on society. Maclay said that French solidarity funds, whose default option is 90% ESG; 10% Impact have been a huge success, "demonstrating people's affinity with these issues."

Likewise, he applauded the Make My Money Matter campaign in the UK. "We all want to see our money making a difference," said Maclay. "There is enormous bottom-up demand."

Thomas worried that currently even on sustainability data, data provider company ratings can be uncorrelated, leading to concerns around identifying a single source of truth in a world that is continuously evolving.

Maclay responded that the ISSB will set a global baseline for sustainability metrics, and reiterated Latham's point that we are on a journey – this will not happen overnight.

Latham herself expressed concern about the investment management industry's tendency to reduce everything to numbers.

"My perspective is that you need qualitative social research and narrative, not just quantitative answers," she said, noting that lots of qualitative research is evidence-based, so not fluffy. She added that universal scores risked shunning a plurality of views.

Lawton agreed that oversimplification of Impact loses creativity. "Allocators just go to the highest-scoring element," he warned. "And that would be backward-looking."

"Maclay said that French solidarity funds, whose default option is 90% ESG; 10% Impact have been a huge success, demonstrating people's affinity with these issues."

"Life has different values in different parts of the world – the numbers alone do not account for all," concluded Latham. "This matters in genuine diversity and a Just Transition."

"I have taken part in several roundtables over the last 18 months and this was the best orchestrated by far"

Investment Director, UK Consulting firm

"Just a note to say thank you for organising the panel and having me on it. I found the full group discussion super informative."

Portfolio Manager, Global Asset Manager

"The CAMRADATA virtual roundtable went really well, as well as the live events, which was quite surprising! It was informative and interesting, and I know our Fund manager enjoyed being a part of it."

Business Development Manager, UK Asset Manager

CAMRADATA

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To find out more – **Natasha Silva** (Natasha.silva@camradata.com) would be delighted to speak to you.

Roundtable Participants

Matt Lawton

Portfolio Manager

Personal Profile

Matt Lawton is a portfolio manager in the Fixed Income Division. He manages the Global Impact Credit Strategy and co-manages the US Investment Grade Corporate Bond Strategy. Matt is a vice president and member of the Investment Advisory Committees for the Corporate Income, New Income, and Ultra Short-Term Bond Funds, and he is a vice president of the Short-Term Bond Fund. He also is a member of the Fixed Income ESG Steering and Advisory and the ESG Committees. Matt is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc.

Matt's investment experience began in 2005, and he has been with T. Rowe Price since 2011, beginning as an investment-grade corporate credit analyst in the Fixed Income Division. Prior to joining the firm, he was an M.B.A. intern with T. Rowe Price and an associate at The Carlyle Group in Washington, D.C. He also worked as an associate in the investment banking division of Barclays Capital in New York.

Matt earned a B.S. in finance from Boston College and an M.B.A. from Georgetown University, McDonough School of Business. He also has earned the Chartered Financial Analyst® designation.

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T. Rowe Price

Company Profile

At T. Rowe Price we're solely focused on providing investment management and long-term results for you and your clients. Founded in 1937, we're an independent investment management firm managing over GBP 1.2 trillion in assets*. We service clients in 50 countries across Europe, the Americas, Asia and the Middle East and opened our UK office in 1979, going on to launch our OEIC Fund Range in 2016.

We offer investors a full range of equity and fixed income strategies across multiple asset classes, sectors, styles, and regions. Our experience through all types of market conditions contributes to a proven investment strategy designed to produce strong performance for the long term.

*As at 31 December 2021

Amanda Latham

Associate and Policy & Strategy Lead

Amanda works with stakeholders from across the firm to develop Barnett Waddingham's views and policies on key policy priorities. Amanda brings this to our clients in a way that is relevant and timely – providing information and insight that is of practical value and benefit.

Having been with the Pensions Regulator (TPR) in a number of policy and stakeholder roles – covering topics including sustainable finance and investment, trustee standards, DB consolidation and collective DC schemes – Amanda's list of achievements is considerable.

Amanda is a member of BW's Sustainability Steering Group, D&I Steering Group and part of our Sustainable Investment Team.

She currently chairs the stewardship workstream of the Investment Consultants Sustainability Working Group (ICSWG), a group of consulting firms aiming to support sustainability across the investment industry. She is also a member of the Steering Group and Reporting workstream of the Net Zero Investment Consultants Initiative (NZICI).

Amanda is a (non-actuary) member of the Institute and Faculty of Actuaries (IFoA) Sustainability Board, providing a diverse view with a focus on the policy and regulation portfolio. She is also a member of the Pensions Climate Risk Industry Group (PCRIG), a cross-industry group that has produced guidance for pension schemes on how they can adopt the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations on climate governance and disclosure.

BARNETT WADDINGHAM
beyond the expected

Alasdair Maclay

Chief Funds Officer at the GSG

Alasdair is the Chief Funds Officer at the Global Steering Group for Impact Investment (GSG, www.gsgii.org). He is responsible for all fundraising and donor relationships for the GSG, and supports the fundraising for the National Advisory Boards, Outcomes Funds, and other policy and product initiatives.

He was seconded for 2 years as Chief Strategy Officer at the Education Outcomes Fund (EOF, www.educationoutcomesfund.org). He was responsible for strategy and all donor, outcome funder, and impact investor relationships for EOF.

Alasdair was the Director of Strategy & Development at the Rhodes Trust from 2014-2019, leading on over £300m of philanthropic fundraising, with a focus on the expansion of the Rhodes Scholarships into new geographic regions, including West and East Africa, the Middle East, China, and South East Asia, and building strategic operating partnerships with aligned organisations.

Alasdair spent 18 years prior to the Rhodes Trust in financial services in London and South Africa, with a focus on fundraising and emerging markets investment. After joining CDC in 2003, Alasdair spent over a decade at Actis, the emerging markets private equity fund manager, where he worked as as investor and then as the Investor Development Group operations director from 2011-2014, focused on securing over $3bn of new funds raised from over 100 investors. He previously worked for Sovereign Capital, the UK private equity firm, and Bain and Company, the global consulting firm.

Alasdair has an MBA from INSEAD and a joint honours degree in Russian and Czech (with Slovak) language and literature from the University of Oxford.

GSG
Driving real impact

Roundtable Participants

Cadi Thomas

Head of ESG Research

Cadi leads Isio's ESG research team and is responsible for setting ESG policy across all asset classes and investment funds as well as integrating ESG centric strategies across Isio's client base.

She is actively involved with various stakeholders in the UK pensions industry and has helped developed thought leadership on ESG topics.

Cadi has a degree in Mathematics from the University of Bath and is a Fellow of the Institute of Actuaries.

Celine Legaspi

Associate, Manager Research

Celine works as an Associate within Redington's Manager Research team, particularly focused on sustainable investment and private markets.
In her role, she is responsible for implementing ESG due diligence, researching new impact asset classes, and engaging with managers on their sustainable investment efforts.

She also supports clients with their stewardship communications. Prior to joining Redington in July 2021, Celine spent two years within the sustainability/asset management space as a product associate helping develop data-driven ESG scoring models.

isio.

REDINGTON

Moderator

Brendan Maton

Freelance Journalist

A highly experienced financial journalist with an expansive network of contacts in the UK and across Europe. Brendan has written about pension schemes and national welfare systems from Finland to Greece for 18 years and understands the retirement savings industry in each European country.
Brendan has interviewed EU commissioners and national ministers; central bankers; pension scheme heads; insurance chief executives; chief investment officers; actuaries; union officials; professional and lay trustees.He worked at Financial Times Business for eight years, finally as editor-in-chief of all international pensions titles.

Brendan has spent the last ten years as a freelancer for a number of publications, including Financial Times, Responsible Investor, Nordic region pensions news and IPE. He is also Chief webcast host for IPE.
Brendan has acted as conference chair for Financial News, the UK National Association of Pension Funds, Dutch Investment Professionals Association (VBA), Corestone, Insight Investment, Marcus Evans, Robeco Asset Management, Sustainable Asset Management (SAM), Towers Watson.

T. Rowe Price Strategy Focus on Global Impact Credit

"In depth fundamental research is a cornerstone of T. Rowe Price's investment process across all asset classes, and it is particularly important in an impact strategy."

Matt Lawton is the portfolio manager for the Global Impact Credit Strategy and has ultimate responsibility for all decisions regarding investment strategy, portfolio construction, and security selection. He has 14 years of investment experience and is also a member of the firm's Fixed Income ESG Steering and Advisory and the ESG Committees.

Understanding the Investment Universe

Areas of the global economy that we do not believe can generate a positive impact are excluded from the outset. These include adult entertainment, alcohol, fossil fuels, gambling, tobacco, for profit prisons, weapons, and stocks that screen individually on conduct based metrics.

Our impact universe comprises issuers meeting at least one of four criteria for inclusion in the portfolio: majority of current revenues or profits are tied to at least one impact sub pillar, majority of projected revenues or profits in 10 years are tied to at least one impact sub pillar, bond proceeds are allocated to discrete environmental or social projects, or unique impact situation.

We assess business activities and how they align to our three impact pillars and eight sub pillars aligned to the 17 UN SDGs:

- Climate and resource impact (reducing greenhouse gases, promoting healthy ecosystems, nurturing circular economies).
- Social equity and quality of life (enabling social equity, improving health, enhancing quality of life).
- Sustainable innovation and productivity (sustainable technology, building sustainable industry and infrastructure).

Portfolio Construction

In constructing the portfolio, Matt leverages the impact and fundamental analysis undertaken by the global credit and RI research teams and combines this with top down considerations, such as the macroeconomic outlook and relative value across credit sectors. Matt applies his judgment to construct a global portfolio of around 75 to 150 holdings, while managing risk exposure at both the individual issuer and portfolio level.

Collaboration between our Global Impact Credit Strategy and Global Impact Equity Strategy teams is also key when finding true impact investments. Matt regularly meets with Hari Balkrishna, the portfolio manager for the Global Impact Equity Strategy, and the equity impact analysts to discuss new ideas. Through these meetings, Matt is able to analyse and enrich impact ideas while maintaining full discretion over the portfolio's investment decisions and overall construction.

ESG Integration

In our view, ESG factors cannot be separate or tangential parts of a traditional investment thesis. Company fundamentals, including its consideration of ESG factors, play a critical role in the security selection process.

The process of ESG integration takes place on three levels:

- With our fundamental and Responsible Investing Indicator Model (RIIM) research analysts incorporating ESG factors into their analysis.
- Using the firm's proprietary RIIM analysis at regular intervals to help us understand the ESG characteristics of securities and the portfolio.
- With the portfolio manager integrating ESG considerations within the investment thesis and portfolio construction process itself.

Evaluating ESG Labelled Bonds

We leverage our proprietary ESG bond framework to assess the credibility of ESG labelled bonds to enhance our research and promote better decision making. The mechanism takes place over four stages. First, our fundamental and RI analysts evaluate the issuer's ESG profile based on our proprietary RIIM score, together with an assessment of the issuer's environmental and/or social targets and commitments.

Author:

Matt Lawton
Portfolio Manager

Then, we verify alignment with standards put forth by the International Capital Market Association, second party option solicitation, and an assessment of the government structure supporting the sustainable finance framework.

We further evaluate the use of proceeds and credibility of financed projects. Performing such analysis helps filter out greenwashed bonds and ultimately identify high impact projects. The final step of our evaluation then involves post issuance reporting to ensure impact is delivered as intended.

Adding Through Engagement

Engagement is a crucial tool for impact managers to track a company's progress toward its impact goals and to provide guidance on sustainability best practices when needed. We identify specific factors through our research that could be potential impediments to a security's performance. We may at times suggest to a company that they make a specific change, or we may seek to gain more information on an ESG issue to ensure our investment decisions are well informed. We believe this company specific approach results in the highest impact because it is aligned with our firm's core investment proposition: active management rooted in fundamental investment analysis.

We measure the success of our engagement through maintaining a regular dialogue with the management teams of companies represented across our portfolios. Our investment driven program frequently identifies targets through our proprietary RIIM analysis, governance screening, and analysts' fundamental research. The objective is to use our influence to increase the probability that a company will potentially outperform its peers, enabling our clients to achieve their investment goals. We do this using various stewardship activities, including:

- Regular ongoing investment diligence
- Engagement with management on ESG issues
- Meetings with senior management, including offering candid feedback
- Decisions to increase or decrease the weight of an investment in a portfolio or to initiate/ eliminate an investment

Going Beyond Green Bonds

At T. Rowe Price, we feel impact investing in fixed income is not confined to the ESG labelled bond market. Impact can be captured through directing capital to issuers providing positive environmental or social impact through their everyday activities. Our investment process is therefore not limited to green bonds as we look to a broad opportunity set, spanning across the corporate and credit universe to identify the highest impact aligned issuers. By engaging and investing in companies outside the ESG labelled debt market, we can deploy our scale and resources to help progress an issuer's impact agenda.

Important Information
Past performance is not a reliable indicator of future performance. The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.
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the tide, and against it

Knows when to invest with
the market, and against it

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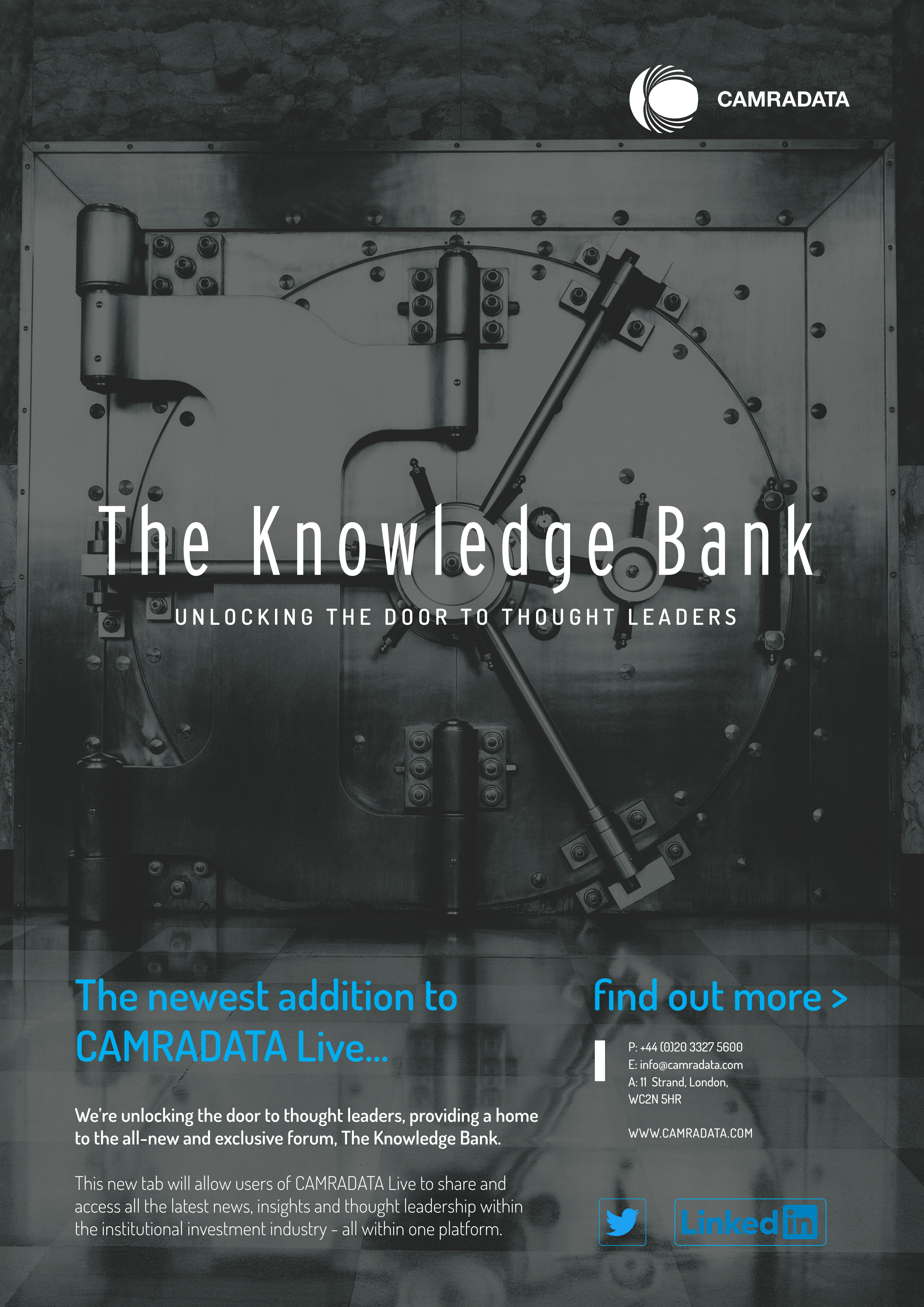
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