



STEWARDSHIP REPORT

2023



Table of Contents

Northern Trust Asset Management has adopted the U.K. Stewardship Code 2020 (the Code) as a global standard for stewardship practice.

The following report summarizes how we align to each of the 12 principles of the Code, highlighting how our activities and outcomes create long-term value for our clients.

For more information on the Code visit [frc.org.uk](https://www.frc.org.uk).

01

Foreword ▶

02

A Year of Stewardship ▶

03

NTAM Commitment to Sustainability ▶

04

PRINCIPLE 1 Purpose, Strategy and Culture ▶

05

PRINCIPLE 2 Governance, Resources and Incentives ▶

06

PRINCIPLE 3 Conflicts of Interest ▶

07

PRINCIPLE 4 Promoting Well-Functioning Markets ▶

08

PRINCIPLE 5 Review and Assurance ▶

09

PRINCIPLE 6 Client and Beneficiary Needs ▶

10

PRINCIPLE 7 Stewardship, Investment and ESG Integration ▶

11

PRINCIPLE 8 Monitoring Managers and Service Providers ▶

12

PRINCIPLE 9 Engagement ▶

13

PRINCIPLE 10 Collaboration ▶

14

PRINCIPLE 11 Escalation ▶

15

PRINCIPLE 12 Exercising Rights and Responsibilities ▶

16

Appendices ▶

Stewardship for Long-term Value Creation



As an investment manager entrusted with \$1.1 trillion¹ of investor assets, we believe in the importance of active ownership and engagement to serve the long-term financial interests of our clients. Active engagement not only deepens our understanding of portfolio risks but also directly contributes to achieving better risk-adjusted returns and unlocking potential for outperformance.

To ensure the companies we invest in on behalf of our clients are well-positioned to navigate and prosper amid economic shifts, we continue advocating for strong governance practices and the sound management of material risks to business models. Effective stewardship requires a continual process of evolving and enhancing our approach and tools, and we continued our forward progress in 2023.

During the year, we addressed some of the most pressing issues confronting companies and their business models including corporate governance, cybersecurity risks, climate change, biodiversity and human rights. We significantly increased our direct engagements on these issues, engaging with more than twice the number of companies compared with 2022.²

As we continue to work with our portfolio companies to encourage them to report climate disclosures in line with the

Task Force on Climate-related Financial Disclosures (TCFD) framework, we launched our inaugural TCFD report in 2023. This provides a comprehensive overview of our approach for management of climate risks and opportunities within Northern Trust Asset Management.

Our net zero strategy has engagement and voting at its core. We have, therefore, deepened our engagements with portfolio companies on climate-related risks and opportunities. Of the shareholder proposals chosen by ShareAction for its Voting Matters 2023 report, we voted in favor of 69% of environmental proposals,³ to encourage further disclosure of financially relevant climate-related information.

To strengthen our management of portfolio risks, we created a quantitative assessment of corporate governance, leveraging metrics on board structure and effectiveness, ownership rights and capital structure, financial transparency and remuneration practices. The assessment has been leveraged as part of our quality score to identify companies with poor governance attributes and limit their participation in our investible universes for certain quantitative equity strategies.

In 2024, we plan to continue the expansion of our stewardship team, including the appointment of a dedicated Global Head of Stewardship. The expanded team

will advance a deeper integration of our stewardship program into our investment decision-making process, and increase collaboration with fundamental research analysts to add insights to our engagements and proxy voting decisions. In addition, our Proxy Voting Committee will expand to include a broader spectrum of investment perspectives; as well, we are incorporating additional reviews with our global Chief Investment Officers covering Equities, Fixed Income, Multi-Asset and Alternative portfolios.

Finally, in 2024 we will be launching Proxy Voting Choice: a tool allowing our investors in certain institutional pooled investment vehicles to exercise more direct control over how their votes are cast in alignment with their unique goals and time horizons.

In this report, we set out to present a clear and comprehensive account of our stewardship activities and their outcomes, while also demonstrating a deep commitment to the principles of effective investment stewardship.

Daniel Gamba

President
Northern Trust Asset Management

¹ Assets under management as of December 31, 2023. For the Northern Trust Asset Management entities included in assets under management total, please see disclosure at end of this document.

² Source: Northern Trust Asset Management. NTAM engaged 160 companies in 2023 and 76 in 2022.

³ ShareAction report "Voting Matters," January 11, 2024. More information can be found [here](#) and page 140.

A Year of Stewardship

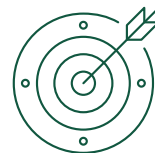
146,715

Number of votable items proposed by management and shareholders⁴



27,672

Resolutions voted against management



4,505

Total engagement themes covered^{5,6}

16,010

Shareholder meetings in which we voted



63%

Shareholder meetings in which we voted against management on at least one resolution



Supported
69%

of environmental shareholder resolutions based on ShareAction's Voting Matters 2023 report



NTAM Direct Engagements by Theme



Based on 183 direct engagements by NTAM

⁴ Aggregate votes represent those cast by NTAM in line with our custom set of guidelines — the Northern Trust [proxy voting policies and procedures](#) — and alternative voting policies applied to select funds. In cases of different votes submitted for an individual agenda item, votes cast are discretely counted by vote cast (for, against, etc.) per proposal. This may result in voting totals exceeding the number of votable items.

⁵ Sources: Northern Trust Asset Management and EOS at Federated Hermes (EOS). An engagement is defined as a meeting or call with an investee company. Individual engagements may have covered one or more themes and multiple engagements may occur with the same company. In 2023, NTAM engaged on 610 themes and EOS engaged on 3,895 themes on NTAM's behalf, leading to a total of 4,505 themes discussed. NTAM-led engagements capture those performed individually or in collaboration with other investors. NTAM engaged with 160 companies in 2023; EOS engaged with 905 companies.

⁶ We appointed EOS to act as agent of our UCITS pooled funds in EMEA.

NTAM Commitment to Sustainability



We believe that serving as an active owner produces sustainable value over the long term, which leads to better outcomes for clients, shareholders and stakeholders.

Organizational Commitment of Our Parent Organization

Corporate social responsibility is an essential element of our mission and culture:

- **Committed to achieving net zero carbon emissions** for our business operations by 2050.⁷
- **6th consecutive year** in the Bloomberg Gender-Equality Index (2018–2023).⁸

NTAM’s Support of Leading Industry Groups and Initiatives

Proudly participating, supporting and contributing to dozens of leading industry groups and initiatives around the globe:

- **Founding signatory** of Climate Action 100+.
- **Principles for Responsible Investment (PRI) member** since 2009.
- **8 of 14 PRI Assessment Metrics at or Above Median.**⁷
- **12 of 14 PRI Assessment Metrics at three stars or higher.**⁹
- **Task Force on Climate-related Financial Disclosures (TCFD) Supporter.**
- **International Financial Reporting Standards Foundation (IFRS) Sustainability Alliance Member and International Sustainability Standards Board (ISSB) Investor Advisory Group.**

⁷ More information on Northern Trust Corporation’s net zero commitment can be accessed [here](#).

⁸ Bloomberg Gender-Equality Index (published January 31, 2023) constituents can be accessed [here](#).

⁹ For the full NTAM PRI Transparency Report, visit www.unpri.org. Assessment methodology can be found at <https://www.unpri.org/reporting-and-assessment/how-investors-are-assessed-on-their-reporting/3066.article>. Please see important information on page 9 for more information about our assets under management, rankings and awards. Past performance is not indicative of future results.

- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability

**04 PRINCIPLE 1
Purpose, Strategy
and Culture**

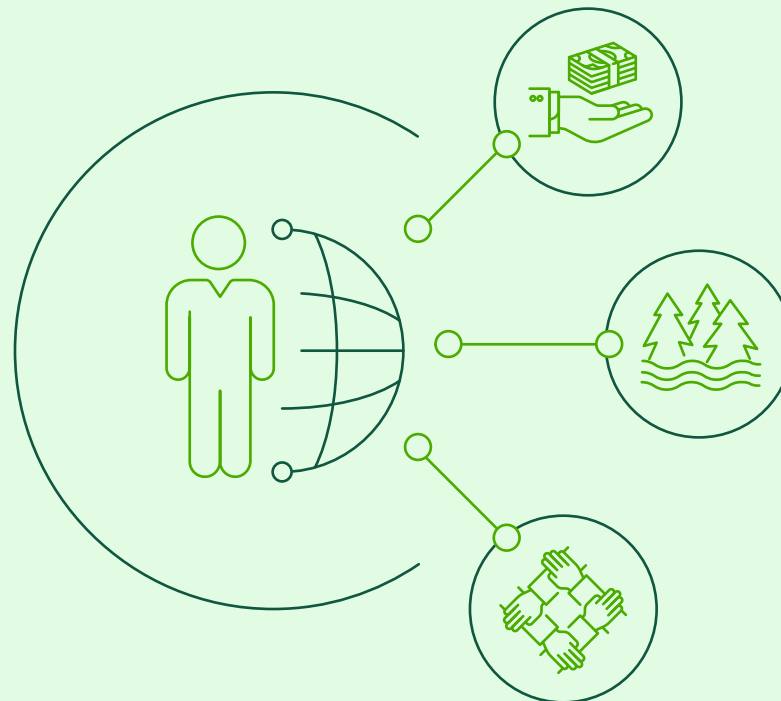
- 05 PRINCIPLE 2
Governance, Resources and Incentives
- 06 PRINCIPLE 3
Conflicts of Interest
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets
- 08 PRINCIPLE 5
Review and Assurance
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers
- 12 PRINCIPLE 9
Engagement
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities
- 16 Appendices

04

PRINCIPLE 1

Purpose, Strategy and Culture

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.



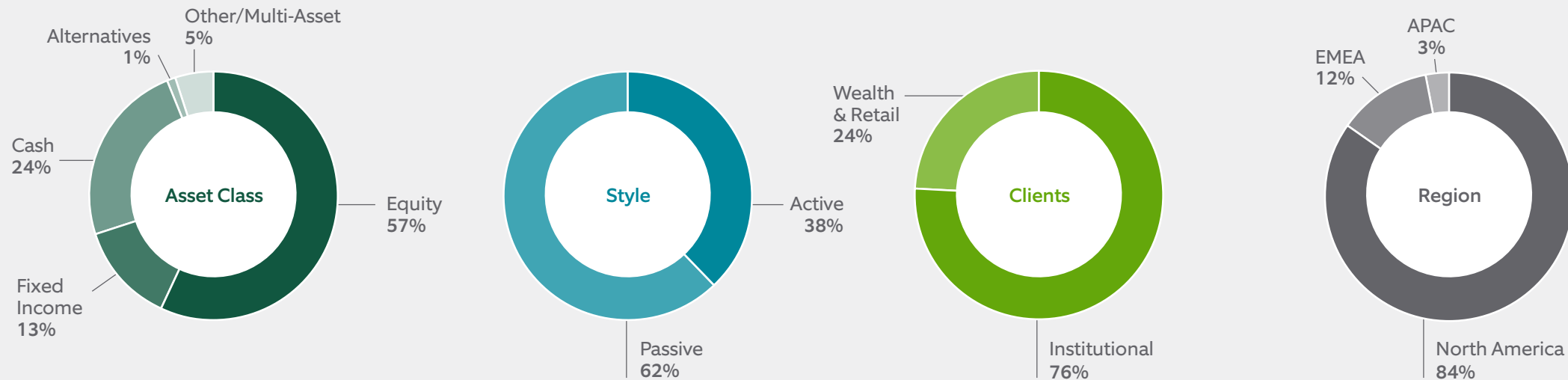
Business and Strategy

Northern Trust Asset Management (NTAM) is an investment management firm entrusted by investors around the globe to help them navigate changing market environments, in an effort to realize long-term objectives.

We have grown to become among the world's largest asset managers, with \$1.1 trillion in assets under management¹⁰ and over 900 employees in 12 countries as of the end of 2023. We are the asset management business

of the Northern Trust Corporation, a leading provider of wealth management, asset servicing, investment management and banking, with \$15.4 trillion in assets under custody/administration.¹¹

NTAM Assets Under Management¹²



Source: Northern Trust Asset Management. Data as of December 31, 2023.

¹⁰ Assets under management as of December 31, 2023. For the Northern Trust Asset Management entities included in assets under management total, please see disclosure at end of this document.

¹¹ Assets under custody/administration as of December 31, 2023.

¹² Breakdown of products classified as active is as follows: Multi-Asset Class = 14%; Cash = 64%; Alternatives = 2%; Active Fixed = 14%; Quantitative Active Equity = 6%.

We purposefully combine robust capital markets research, expert portfolio construction and comprehensive risk management to help craft efficient solutions that seek to deliver targeted investment outcomes. Our fiduciary heritage guides our principle-based culture and collaborative approach, resulting in a distinctive client experience. We strive to deliver investment solutions that solve the complex investment needs of institutional and individual investors by focusing on areas that we believe align with our competitive advantage and provide the most value to clients. Currently, we see the greatest intersection of our investment expertise and investor need across our sustainable investing, quantitative, multi-asset, cash and alternatives investment capabilities.

We managed \$162 billion in sustainable investment strategies as of the end of 2023.¹³ At NTAM, we help investors future-fit their portfolios by bringing clarity to investment opportunities and risks resulting from financially relevant ESG factors. We enhance our ability to measure and assess the ESG profiles of companies with the [Northern Trust ESG Vector Score™](#) (ESG Vector Score). The score brings greater clarity to ESG risk assessment — and how ESG issues may impact companies' financial futures — to improve our investment and stewardship decisions. We expanded the stewardship team in 2023 to increase our capacity in engagement and proxy voting in line with our clients' values.

Northern Trust Asset Management

\$162 billion
assets under
management
in sustainable
strategies¹³

¹³ At NTAM, we define sustainable investing as encompassing all of NTAM's investment strategies and accounts that utilize values-based and norms-based screens, best-in-class and ESG integration, or thematic investing that may focus on a specific ESG issue such as climate risk. NTAM's sustainable investing includes portfolios designed by NTAM as well as those portfolios managed to client-defined methodologies or screens. As the data, analytical models and aforementioned portfolio construction tools available in the marketplace have evolved over time, so too has NTAM. NTAM's sustainable investing encompasses strategies and client assets managed in accordance with client-specified responsible investing terms (historically referred to as socially responsible), as well as portfolios that leverage contemporary approaches and data sets, including ESG analytics and ESG thematic investing.

Purpose

NTAM seeks to help global investors achieve their most important goals by providing insights, solutions and an exceptional client experience.

We are purposeful investors, committed to constructing innovative and efficient strategies that seek to compensate investors for risk and deliver better outcomes in all market environments. We are proud contributors to our communities and consider it a great privilege to serve our investors and our stakeholders with integrity, respect and transparency.

Further, as a global investment manager and corporate citizen, we not only have an opportunity but a clear responsibility to contribute to a healthy long-term environment, equitable social structures and well-governed companies. This stakeholder-centric mindset considers our clients, employees and the communities we serve in the decisions we make and actions we take.

¹⁴ Total worldwide assets under management.

¹⁵ Worldwide institutional assets under management.

¹⁶ Total worldwide assets under management.

¹⁷ Total worldwide assets under management.

¹⁸ Total worldwide assets under management.

¹⁹ U.S. institutional, tax exempt, managed internally.

²⁰ Total institutional client assets globally; U.S. Institutional, tax exempt.

²¹ U.S. Institutional, tax exempt, managed internally.

TOP MONEY MANAGER RANKING

“Special Report on the Largest Money Managers,” *Pensions & Investments*, June 12, 2023. Ranking based on total worldwide assets under management (AUM) of \$1.0 trillion as of December 31, 2022. See page 140 for more information on awards and rankings.

WORLDWIDE ASSETS¹⁴

19th Largest

WORLDWIDE INSTITUTIONAL ASSETS¹⁵

14th Largest

ESG MANDATES¹⁶

8th Largest

FACTOR-BASED STRATEGIES¹⁷

7th Largest

ENDOWMENT/
FOUNDATION ASSETS¹⁸

6th Largest

DEFINED BENEFIT
MANAGER¹⁹

8th Largest

DEFINED CONTRIBUTION
MANAGER²⁰

10th Largest

INDEXED (U.S.) EQUITY²¹

5th Largest

Investment Beliefs

We believe investors should be compensated for the risks they take — in all market environments and any investment strategy.

At the heart of this philosophy is how we think about, view and analyze risk. This deep understanding and respect for employing risk purposefully serves as the foundation for every investment solution and perspective we provide to our clients.

As risk-aware investors, this means that risk is taken intentionally to help achieve investors' desired outcomes. Our products and solutions are thoughtfully designed and efficiently executed with this perspective in mind. They are managed by consistently applying an empirically based and disciplined investment approach. We believe that focusing on only taking compensated risk minimizes unintended consequences, provides consistent returns over the long term, and enables investors to achieve their objectives.

We believe material ESG factors are pre-financial indicators that can affect a company's future financial viability and clients' long-term risk-adjusted investment returns. When managed well, ESG factors can position a company for success and when mismanaged they can result in significant risks.

Consistent with our view that investors should be compensated for the risks they take, we believe evaluating companies' performance using ESG criteria enhances our forward-looking view of risks and opportunities. This analysis helps to bolster our ability to manage downside risk and to grow clients' capital.

Further, we believe positive economic and societal change, and financial performance, are best achieved when ESG analysis is combined with active stewardship. We purposely and actively engage with various entities to promote transparency and raise ESG reporting standards — with companies in which we invest, the policy makers and regulators with whom we interact, and our vendors and index providers.

Through our sustainable investment and stewardship teams, we seek to help investors future-fit their investment portfolios, empower them to align their investments with their values, and use our voice to help drive meaningful change at an economic, societal and financial level.

Culture

People driven by purpose, guided by humility

At NTAM, we are passionate about investing and client outcomes. Astute, yet humble, we engage without assumptions and arrogance. This frees us to see things from different perspectives, explore all possibilities, and never lose sight of our purpose: to deliver on our clients' purpose for investing.

Our Core Beliefs

Respect the Purpose

We've served generations of sophisticated investors, building entire portfolios to meet their varied financial goals and needs. All the while, never losing sight of one simple fact: every investment serves a specific purpose, all in service of a broader goal.

Life-Long Learners, Fueled by Curiosity

We are insatiably curious and exceptional listeners. Life-long learners at our core, we have mastered the art and science of listening — and knowing when to probe. We ask, we analyze and then we combine what we have heard, with what we know, to deliver practical and actionable insights and solutions.

Decidedly Inclusive, Refreshingly Open-Minded

Being humbly open-minded is a hallmark of our collaborative, inclusive culture. We embrace diversity — of thought, backgrounds and cultures — and approach every opportunity and challenge without assumptions, without arrogance.

Our Commitment to Inclusion

We believe that a commitment to a diverse, equitable and inclusive culture creates greater value for our employees and the clients and communities we serve.

Our leaders are focused on implementing solutions that foster an inclusive workplace through these tools, techniques and resources:

Inclusion Index

In 2022, Northern Trust launched an Inclusion Index to better understand the factors that drive inclusion and our employees' sense of belonging across the organization. The index helps us to identify gaps and opportunities to build upon our strengths around inclusion.

Participation in Industry-wide Initiatives

Northern Trust is a signatory to the Women in Finance Charter in Europe. This charter aims to bring companies together to build a balanced and fair financial services industry.

Inclusive Leadership Education

We provide our leaders with a curated curriculum to build a foundation in many of the topics and techniques needed for managing teams inclusively.

NTAM integrates inclusion into our culture through recruitment, developing our current employees and encouraging diversity from our suppliers.

Bringing inclusion to all areas is vital — and it's important to look beyond the surface.

That approach led to NTAM's Minority Brokerage Program, launched in 2007, which fosters inclusion by looking for opportunities to partner with broker-dealers owned by minorities, women and disabled veterans.

In 2023, 15% of commissions on equity trades was executed through minority brokers in all participating commingled funds. This follows NTAM's 2022 achievement of increasing the number of selected firms from 11 to 16.

We have a proud history of offering our employees opportunities to engage on DE&I topics through a range of resource councils and forums.

In 2023, these included:

Neurodiversity Champions

Our EMEA DE&I team working in collaboration with our business leaders launched a worldwide neurodiversity program, aimed at recognizing diversity of thought and behaviors to educate our employees on the strengths and opportunities of creating a neuro-inclusive environment.

Strengthening the Foundation

Our Women in Leadership Business Resource Council ran a Northern Trust Chairman Award-Winning program, Strengthen Your Foundation, to help develop employees' financial and business acumen, and prepare them for advanced leadership roles and responsibilities.

Breaking the (Bamboo) Ceiling

The Asian Leadership Business Resource Council (BRC) launched its "Breaking the Bamboo Ceiling" Speaker Series, during which employees around Northern Trust shared insights and experiences with the BRC's members, with a session featuring two Asian American Pacific Islander senior leaders who discussed the model minority myth.

Our Business: Case Challenge

The Advancing Professionals Resource Council gives employees the opportunity to participate in an annual case challenge (internal business consulting competition). In 2023, the case challenge focused on exploring and presenting ways to elevate and amplify cultural behaviors, and creating more engagement around sustainability.

Stewardship Aligned With Clients' Interests

Our culture, appreciation for risk and sense of purpose shape our approach to stewardship.

Serving as an active owner helps us contribute to a healthy long-term environment, equitable social structures, and enhanced governance of companies, while supporting financial value creation for clients over the long term.

Our sustainable investment team seeks to enable clients to align their investments with their values, and offers a wide range of sustainable investing solutions across asset classes and in a variety of investment vehicles. Our implementation experts can tailor investment strategies to help meet investors' specific sustainable needs or requirements.

Our sustainable investment and stewardship teams empower clients to align their investments with their values and to use our voice, backed by **\$1.1 trillion²² in investments, to drive meaningful change in companies' management of ESG issues.**

²² As at December 31, 2023.

Improved Ability to Manage ESG Risk

In 2023, we acted effectively on behalf of our clients' interests through sustained engagement with companies and independent proxy voting.

We and our engagement partner, EOS at Federated Hermes (EOS), engaged on more than 4,500 themes across 1,065 companies, including climate change, DE&I, sustainable food and agriculture, and executive compensation. In 2023, we made progress toward at least one objective at nearly half the companies engaged.²³

Through our proxy voting decisions, we also aim to influence companies' behaviors and policies toward more sustainable business practices. Last year, we voted on approximately 147,000 resolutions, aligning our votes with client interests and not necessarily with company management. For example, in 2023 we cast at least one vote against management recommendations at 63% of the meetings we participated in.

Proxy Voting in 2023

16,000+

meetings voted on



147,000+

resolutions voted on



63%

of meetings, cast at least one vote against management recommendations



²³ Sources: NTAM Management and EOS. An engagement is defined as a meeting or call with an investee company. Individual engagements may have covered one or more themes and multiple engagements may occur with the same company. In 2023, NTAM engaged on 610 themes and EOS engaged on 3,895 themes on NTAM's behalf, leading to a total of 4,505 themes discussed. NTAM engaged with 160 companies in 2023; EOS engaged with 905 companies. Engagements with progress milestones 2, 3 or 4 were achieved with companies (see Principle 11 for an explanation of milestones). 94/160 companies NTAM engaged with had achieved milestones 2, 3, or 4 in at least one engagement topic; EOS had 399/905 at this threshold.

Notably, responsible investing advocacy group ShareAction ranked NTAM as the top U.S. index manager for proxy voting on environmental, social and political lobbying shareholder resolutions, based on their *Voting Matters 2023* survey.²⁴

The score in the survey shows how many shareholder-sponsored resolutions each manager voted “for,” as a percentage of the total number of resolutions the manager was able to vote on. Asset managers were therefore not penalized for not having holdings in companies.

Our overall score in ShareAction’s 2023 survey was 77%. We supported 69% of the environmental, 80% of the social and 93% of the lobbying related shareholder proposals under review.

Out of the 114 environmental shareholder sponsored proposals examined in the survey, 71 called for enhanced climate disclosures and 43 called for specific management actions of a strategic nature. Our support for climate-related shareholder proposals calling for increased climate disclosure remained very high at 92% (65/71). However, we only supported 31% (14/42) of proposals calling for specific management actions, including requests to quickly cease investment or financing of new fossil fuel assets, as we determined they were overly prescriptive.

In 2023, we continued to strengthen our stewardship team by creating the new role of Director of Business Enablement to optimize our Sustainable Investing Integration and Stewardship services. We also expanded our stewardship team in EMEA with an additional senior stewardship analyst. In 2024, we plan to continue to grow our team and stewardship capabilities.

In 2023, we continued to strengthen our stewardship team by creating the new role of Director of Business Enablement to optimize our Sustainable Investing Integration and Stewardship services.

²⁴ ShareAction report “Voting Matters,” January 11, 2024. More information can be found [here](#) and page 140.

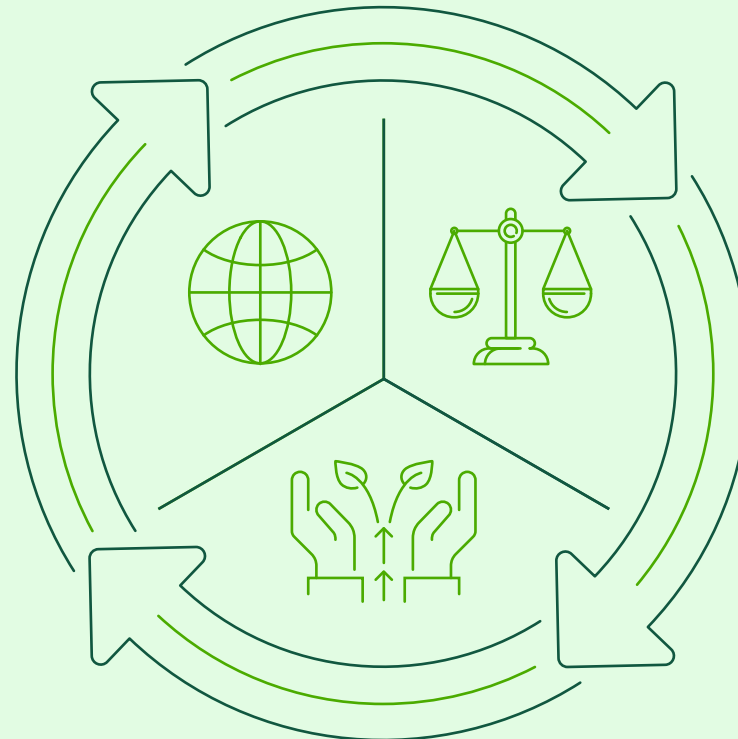
- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 PRINCIPLE 1
Purpose, Strategy and Culture
- 05 PRINCIPLE 2
Governance, Resources and Incentives**
- 06 PRINCIPLE 3
Conflicts of Interest
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets
- 08 PRINCIPLE 5
Review and Assurance
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers
- 12 PRINCIPLE 9
Engagement
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities
- 16 Appendices

05

PRINCIPLE 2

Governance, Resources and Incentives

Signatories' governance, resources and incentives support stewardship.



Governance to Strengthen Accountability

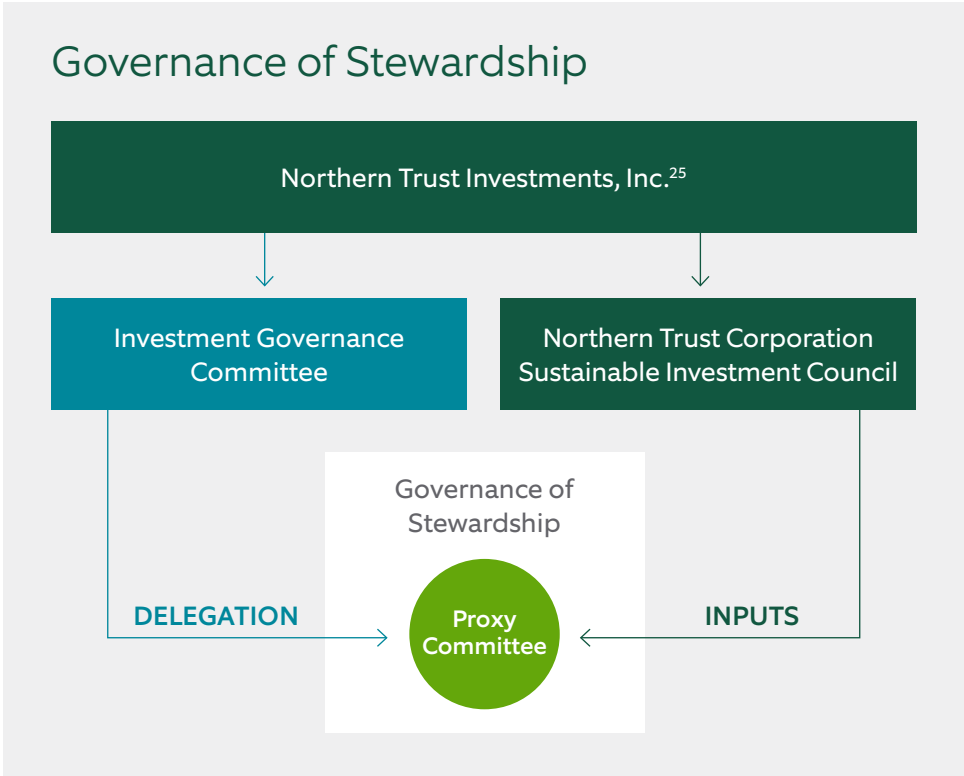
The governance across our business strengthens accountability to clients, shareholders and other stakeholders, while ensuring the robustness of our stewardship policies and processes in line with NTAM’s principles of sustainability.

Northern Trust Investments’ Investment Governance Committee (IGC),²⁵ which comprises senior NTAM officers, sets investment policies and delegates responsibility for stewardship to its Proxy Committee. The Proxy Committee evaluates the effectiveness and robustness of our stewardship policies, initiatives, engagements with companies and proxy voting. It also ensures the effectiveness of the vendors we use to augment our stewardship program and investigates conflicts of interest that may arise from our stewardship activities.

Composed of senior representatives of NTAM’s diverse business functions, and, in turn, reflecting the breadth of our clients’

needs, the Proxy Committee members include equity and bond research analysts, portfolio managers, and ESG and sustainable investing specialists. Additionally, risk professionals from EMEA and the U.S. sit on the committee, providing critical insights into regional issues and regulations governing stewardship and sustainable investing.

Our Executive Vice President for Corporate Sustainability, Inclusion and Social Impact provides guidance on corporate values, while our client relationship managers on the committee represent the diversity of regions and client types (individual and institutional).



²⁵ Northern Trust Investments, Inc. (“NTI”) is the primary U.S. investment adviser of Northern Trust Asset Management. Northern Trust Asset Management is the branding name of the asset management business of Northern Trust Corporation, a financial holding company and publicly traded company.

To ensure that our stewardship program is informed on key developments of sustainable investing principles, the NTAM Proxy Committee solicits guidance from our Sustainable Investment Council (SIC). The SIC, which reports directly to the NTAM Executive Group of functional business leaders, sets sustainable investing standards and drives the strategic growth of our sustainable investing business through product innovation, expansion of our investment capabilities and employee education.

The SIC, chaired by the Global Head of Sustainable Investing Integration, serves as a central “hub” of knowledge on ESG initiatives across NTAM, and drives alignment and coordination of ESG and sustainable investment activities. It leverages a broad range of expertise across regions and business groups, with a makeup similar to the Proxy Committee, including experts in investment research, portfolio management, corporate responsibility, risk, compliance and sales. In coordination with the Proxy Committee, the SIC oversees the relationship with our external engagement vendor EOS at Federated Hermes, as well as our relationships with any signatories and coalitions.

The Sustainable Investment Council, chaired by the Global Head of Sustainable Investing Integration, serves as a central “hub” of knowledge on ESG initiatives across all of NTAM, and drives alignment and coordination of ESG and sustainable investment activities.

Our Team: Building on a Legacy of Deep ESG Experience and Expertise

We consistently seek ways to build on our 30-year legacy of creating long-term investment value for our clients through purposeful management of ESG risks, effective engagement and proxy voting that aligns with our clients' values.

In 2023, we continued to strengthen our team by creating the new role of Director of Business Enablement to optimize our sustainable investing integration and stewardship services. In January 2024, Patrick Hurless, who has over 30 years' experience in the industry, was appointed to this role. We also expanded our stewardship team in EMEA with the addition of Paul Britton as Senior Investment Stewardship Analyst. In 2024, we plan to continue growing our team and stewardship capabilities.

Sheri Hawkins, our Executive Vice President and Head of Investment Platform Services, oversees NTAM's investment governance as well as five core investment functions, including the stewardship and sustainable investing teams.

Both the stewardship and sustainable investing teams serve as centers of excellence for the business, promoting best practices in engagement, proxy voting and ESG integration.

Key Biographies: Highly Experienced Leaders

Our sustainable investing and stewardship teams are led by the three individuals below, each of whom has extensive experience in sustainable investing, stewardship and related areas.

JULIE MORET

Global Head of Sustainable Investing Integration

Julie guides the creation of long-term investment value for clients through ESG risk management and effective engagement. She oversees sustainable investing, fosters research and product development agendas, and advances portfolio integration across asset classes.

Julie leads a team of global ESG specialists skilled at applying NTAM's expertise and insights — gained over three decades constructing sustainable investment solutions.

Previously, Julie held a variety of senior roles in investment management, most recently as the Global Head of ESG with Franklin Templeton Investments. Julie also serves as an industry advocate on a range of ESG efforts, frequently speaking on related issues at industry and client conferences.

She has contributed to a number of industry organizations focused on advancing sustainable investment principles and best practices, including: the Investor Advisory Group at the Sustainable Accounting Standards Board, the

Continued >

Further, NTAM leverages a wide network of employees with expertise in client servicing, distribution, portfolio management, and research and strategy among other skills, who dedicate a significant amount of their time to sustainable investing. This network provides analysis and insights on emerging ESG themes and monitors critical issues, industry trends and regulatory developments. They translate how such issues impact our clients, the firm and our investments. The team also helps design ESG strategies.

In order to deliver specialist knowledge, the sustainability and stewardship teams are divided into three areas: ESG research and integration, stewardship, and client engagement. The specialists collaborate to embed ESG practices into our investment process and stewardship efforts, and support dialogue with clients about sustainable investing. We describe these specializations in more detail on the next page.

Investment Company Institute’s ESG Working Group, the Investment Association’s Sustainable and Responsible Investment Committee and the European Securities and Market Authority’s Stewardship, Market Integrity and ESG Investment steering committee.

Julie has a bachelor’s degree in economics and a master’s degree in international economics from Essex University in England.

PHILIP VERNARDIS
Head of EMEA Stewardship

Philip draws on his extensive experience to lead ESG engagements with directors of portfolio companies to encourage positive change. He also oversees the firm’s proxy voting, stewardship activities and policy development in the EMEA region.

Before joining NTAM in 2022, Philip was Vice President and Global Lead of Asset Stewardship Reporting at State Street Global Advisors, where he led corporate ESG engagements. He was also responsible for thought leadership and heading the firm’s stewardship reporting function. Previously, he worked as a Corporate Governance Manager at Fidelity International. Throughout his career, Philip has served as a member of the UK Investment Association’s Sustainability and Responsible Investment Committee and the Investment Leaders Group at the University of Cambridge Institute for Sustainability Leadership. He is a regular writer on ESG issues and speaks frequently at industry conferences.

Continued >

Areas of Specialization

Stewardship Specialists

- Engage with companies to improve their policies and strategies related to ESG.
- Ensure that proxy voting aligns with our policies.
- Manage and participate in engagement campaigns in collaboration with other shareholders.

ESG Research and Integration Specialists

- Partner with our investment team to plan and implement ESG integration appropriate for various asset classes, investment strategies and time horizons.
- Develop research insights and proprietary data tools, such as the Northern Trust ESG Vector Score™.
- Keep abreast of developments related to ESG data tools and technology, to improve the ESG investment process and gain research insights.

Client Engagement Specialists

- Consult with clients to understand their sustainable investment objectives and advise them about solutions that may help them achieve those objectives, both financially and in ways that align with their values.
- Partner with the ESG research and integration specialists to develop innovative sustainable investing solutions, based on input from clients.
- Provide education programs for employees and clients.

Philip earned a master's degree in Corporate Strategy and Governance from the University of Nottingham Business School and a bachelor's degree in Business Management from Manchester Metropolitan University. He also holds the Investment Management Certificate and has completed Level I of the CFA Program.

CATHERINE MOYER Head of North America Stewardship

Catherine oversees the development of the firm's asset stewardship policy and compliance framework, facilitating and driving firm-wide ESG integration, and coordinating with partners across the business to deliver on broad ESG initiatives. Catherine draws on her education and experience to lead engagements with management teams and directors of portfolio companies on material ESG issues to encourage positive change.

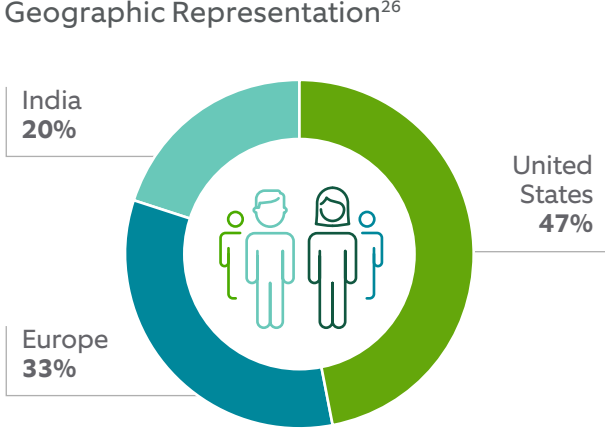
Catherine is a member of the SIC and Proxy Committee. She is also a member of the International Sustainability Standards Board's Investor Advisory Group and previously represented NTAM at the Council of Institutional Investors' Corporate Governance Advisory Council.

Before joining NTAM in 2016, Catherine worked at Institutional Shareholder Services, where she provided policy counseling to global institutional investors, including advising around fulfillment of ESG aspects of clients' investment stewardship programs. She also oversaw the implementation of client-specific proxy voting guidelines.

Continued >

Our Diverse Sustainable Investing and Stewardship Team

NTAM is committed to inclusion in our business because we believe perspectives based on a variety of backgrounds lead to better outcomes for our clients, shareholders and communities. Our sustainable investing and stewardship teams, which are 33% female, are spread across geographic regions, with 47% in the U.S., 33% in Europe and 20% in India. Team members have an average of 15 years of professional experience. Furthermore, 87% of them hold a master’s degree in disciplines including business administration, commerce, conflict resolution, public policy and international economics.



Earlier in her career, Catherine managed implementation of federally mandated ethics programs for two U.S. government agencies: the Consumer Financial Protection Bureau and the Millennium Challenge Corporation. She served as a paralegal for the Africa legal practice at the World Bank Group, where she oversaw review of safeguard procedures in program lending among other responsibilities.

Catherine has earned three master’s degrees: in Public Policy from the University of Maryland, Conflict Analysis and Resolution from George Mason University, and Mediterranean Security from the University of Malta. She holds the CFA Institute Certificate in ESG Investing.

²⁶ As at January 2024.

Advancing Our Expertise

Our people are intellectually curious, and lifelong learners. Their experience, skill and drive to continually improve not only advance our collective expertise, but also enable us to better serve our clients.

At NTAM, we support ongoing education, learning and skills development, providing our employees with career-building — and career-defining — opportunities. We believe rewarding and fulfilling careers are achievable when we foster a culture of growth and achievement. That's why we encourage our employees to pursue advanced education, certifications and ongoing training.

We support them by:

Encouraging professional development

We allocate a budget to support employee development through professional certifications. As of the end of 2023, 13% of the sustainable investing and stewardship teams are CFA® charter holders. Additionally, 27% have earned the CFA Institute Certificate in ESG Investing, 13% have earned the SASB FSA Credential, 7% have earned the CFA Institute Investment Management Certificate and 7% are Certified Climate Change Professionals.

Providing opportunities to engage with their peers

Team members attend conferences, participate in webinars and contribute to working groups to bolster their expertise and explore ideas to improve our stewardship and sustainable investing efforts.

Supporting their educational goals

Our educational assistance program covers expenses related to rigorous external credential programs leading to associates', bachelors' and masters' degrees.

Augmenting Our Efforts

To maximize our reach, analytical abilities and influence, we strategically leverage outside resources.

EQUITY OWNERSHIP SERVICES AT FEDERATED HERMES (EOS)

EOS, a leading stewardship provider, engages on NTAM's behalf with portfolio companies held in pooled funds in Europe and some in Australia.²⁷ Working alongside our dedicated stewardship team, EOS adopts a three-year engagement plan that is aligned with our stewardship priorities. We help shape EOS's engagement plan through annual surveys and semi-annual meetings for clients of EOS. We carefully track and monitor progress resulting from engagements with companies led by EOS analysts. The Proxy Committee ensures the [EOS Responsible Ownership Principles](#) remain aligned with our engagement policies.

INSTITUTIONAL SHAREHOLDER SERVICES (ISS)

ISS reviews and makes proxy voting recommendations based on guidelines established by our Proxy Committee. ISS's scope of security coverage, level of staffing, policies and practices for managing conflicts — and ability to make proxy voting recommendations based on accurate information — complement the stewardship team's proxy voting efforts. Our Proxy Committee reviews ISS's recommendations annually on how to improve implementation of our voting guidelines.

Our Data Providers, Tools and Technology

ESG Research and Screening

- Sustainalytics
- ISS Climate Solutions
- ISS SDG
- MSCI ESG Research
- S&P TruCost Environmental
- TruValue Labs
- Sell-side research
- Equileap
- GRESB
- World Bank Worldwide Governance Indicators
- ICE Data Services

Technology Enablers

- FactSet
- Bloomberg
- Aladdin
- Snowflake
- Microsoft Azure

²⁷ A full list of the funds in scope of EOS engagements can be found [here](#).

Rewarding Performance

To promote sound ESG investment practices and grow our sustainable investing business, we compensate executives partly on their ability to effectively integrate sustainable investing into our investment process and develop innovative products to solve investors' most pressing problems.

Additionally, we include ESG goals in the performance expectations of all members of the sustainable investing and stewardship teams, members of the SIC, members of the Proxy Committee and certain portfolio managers.

By applying these incentives, we seek to achieve success in our sustainable investing business based on a multi-dimensional view, including engagement and proxy voting, performance of investment strategies, innovative product development, growth and thought leadership. NTAM reviews the performance of the sustainable investing

and stewardship team members almost entirely against ESG-related goals. This includes development of and execution on our engagement plans, original research, thought leadership, policy research, support for the Proxy Committee and SIC, client reporting, and oversight of our vendors. By contrast, the managers of our fund products might spend less than 30% of their time overseeing ESG or sustainable investment products. They might be assessed, for example, on ensuring adequate processes and controls to manage securities lending for our ESG products.

- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 PRINCIPLE 1
Purpose, Strategy and Culture
- 05 PRINCIPLE 2
Governance, Resources and Incentives

**06 PRINCIPLE 3
Conflicts of Interest**

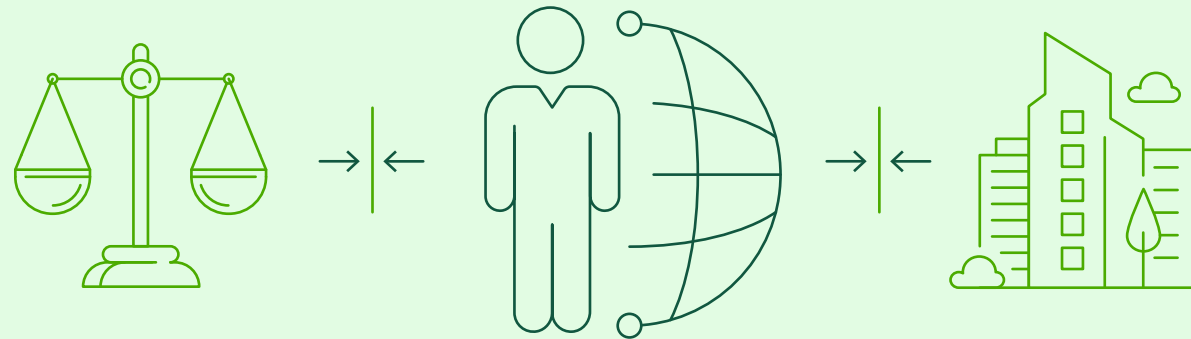
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets
- 08 PRINCIPLE 5
Review and Assurance
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers
- 12 PRINCIPLE 9
Engagement
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities
- 16 Appendices

06

PRINCIPLE 3

Conflicts of Interest

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



Conflicts of Interest

NTAM puts the best interests of clients above all else. To ensure this, we have embedded — within various policies and established processes and organizational controls — appropriate steps for the identification, recording, monitoring and effective management of conflicts of interest.

Such conflicts of interest may arise when:

- The interests of one Northern Trust Corporation client conflicts with those of another client, or multiple clients;
- The interests of one NTAM business unit conflicts with another within the wider group;
- A legal entity within Northern Trust Corporation acts as a service provider, or is deemed to be a client of, another Northern Trust Corporation entity or business unit.

To help identify the types of conflict that may arise and pose a material risk to the interests of a client, NTAM takes into account whether any of its legal entities or a person directly or indirectly linked to those businesses is subject to any of the following circumstances:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client (outside of any remuneration negotiated with the client for providing services);
- Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client that differs from the client's interest in that outcome;
- Has a financial or other incentive to favor the interest of one client or group of clients over the interests of another client or group of clients;
- Carries on the same business activities as the client; or
- Receives or will receive from a third party an inducement in relation to a service provided to a client — in the form of monies, goods or services — that exceeds the agreed commission or fee.

Identification of Conflicts of Interest

NTAM has implemented a range of procedures to identify actual, or potential, conflicts of interest and escalate them to the compliance team and senior management.

This includes both new conflicts and any change occurring to an existing conflict. Assessments are performed to determine how and whether the conflict can be prevented, managed or disclosed. In some cases, conflicts of interest registers are maintained where both inherent and event-driven conflicts are recorded.

Preventing Conflicts

NTAM takes steps to prevent a conflict of interest if an applicable law or regulation prohibits it; for example, regulations may prohibit individuals or firms being appointed to perform a particular role or regulated activity.

Where applicable, NTAM's conflicts of interest register sets out which conflicts must be prevented and the controls in place for doing so.

Managing Conflicts

Where NTAM has assessed that a conflict of interest can be appropriately managed, the team or individual responsible must put in place controls for doing so. The compliance team reviews and assesses these controls on a regular basis and, where applicable, records them on the conflicts of interest register.

The types of controls in place include:

- Classification and segregation of data and duties, including the use of permission and information barriers to limit access to confidential information within Northern Trust and NTAM.
- Information barriers and restrictions relating to trading and client order data, as well as material non-public information such as details of personal account dealing, the maintenance of restricted and insider lists and market surveillance monitoring.
- Code of ethics requirements regarding personal account dealing, outside business interests, gifts and entertainment and inducements. This includes disclosures, pre-approvals by compliance, minimum holding periods, record keeping and reporting.
- Regular training of relevant staff to ensure appropriate awareness and understanding.
- Escalation and reporting procedures, including ownership and required review cycles for policies and procedures, and terms of reference for committee and other reporting to senior management.
- Controls and governance around any third party (or intra-Northern Trust) relationships that could give rise to conflicts of interest. This includes controls and restrictions or prohibitions on certain payments where required.
- Combined assurance testing by risk, compliance and internal audit.

Where it is not possible to sufficiently avoid or manage a conflict of interest, NTAM may have no choice but to decline to provide the service requested.

Disclosure of Conflicts

NTAM makes every attempt to implement appropriate controls to prevent, or manage, a conflict.

In the event that adequate controls cannot be put in place, or are assessed to have been ineffective, we will disclose the conflict to affected clients. We will also disclose conflicts of interest if specifically required by law or regulation.

Disclosure of any conflict will be made in a durable medium and in sufficient detail for the client (or clients) to make an informed decision before NTAM provides any services.

Examples of Conflicts

A number of potential conflicts are inherent in most asset management businesses.

The following are some of the most common:

Gifts and Entertainment and Inducements

Gifts and/or entertainment from third parties to NTAM employees may influence their behavior or induce them to act in an inappropriate or unethical manner to the detriment of clients. Similarly, NTAM employees may make gifts to third parties. NTAM's Gifts and Entertainment Policies require the recording of gifts and entertainment, given and/or received, and, in some cases, employees must obtain pre-approval from compliance. In certain instances, the receipt of gifts and hospitality is expressly prohibited. All gifts and entertainment to third parties in EMEA must be acceptable non-monetary benefits; they must be judged to enhance the quality of service to clients, and not impair NTAM's ability to act in clients' best interests. NTAM EMEA can accept a good or service if it is deemed to be a minor non-monetary benefit that meets these requirements, providing it is reasonable, proportionate and of a scale that is unlikely to influence the firm's behavior in a way that could be detrimental to the client. For example, hospitality of a reasonable de-minimis value during a business meeting, conference, seminar or other training event shall qualify as an acceptable minor non-monetary benefit.

Personal Account Dealing

NTAM's Code of Ethics requires staff to request pre-approval before buying or selling any covered security and to declare any accounts that could hold such securities. Other controls include minimum holding periods and comprehensive reporting requirements designed to mitigate the risks of conflicts of interest with clients, such as "front running" or the use of inside or confidential information for personal gain.

Side-by-Side Management

NTAM may act as an investment manager for clients that have similar investment objectives or strategies, which may mean that NTAM encounters conflicts of interest with clients, or that a conflict exists between two or more clients. Conflicts could, potentially, arise if a portfolio manager has an incentive to favor one client over another: e.g., if there is an opportunity to earn greater fees on accounts with performance-based fees, creating unfair allocation of opportunities to these clients to increase revenue. To mitigate actual and potential conflicts of interest, NTAM has developed allocation policies, procedures and controls designed to ensure equitable allocation of investment opportunities over time, including regular review of similarly situated accounts to identify performance outliers.

Trade Allocation

In accordance with our order execution policies, NTAM manages order allocations for client orders appropriately. Following execution, we allocate trades to clients proportionately on a pro-rata basis. However, in situations where particular allocations for a single portfolio would result in the holding being too small to trade — becoming uneconomic for the client — NTAM adopts an alternative allocation process, while maintaining our best-execution requirements and acting in the best interests of the client. The alternative process gives portfolio managers discretion to assign a small allocation entirely to one or more accounts, or to exclude one or more accounts from receiving an allocation.

Inside Information

The potential misuse of inside information is managed in conjunction with various other information control protocols to protect our clients' confidential information (this includes pre-trade information). These safeguards include physical information barriers in the front office and segregated access to systems. Our managers periodically review these safeguards. Additionally, there are insider/restricted-list processes, and all employees must adhere to NTAM's Code of Ethics. This code puts our clients' best interests first and incorporates stringent personal account dealing requirements, requiring employees to seek pre-clearance on covered securities (e.g., direct stocks, bonds, options).

Disclosure of Confidential Information

NTAM does not disclose client information to a third party, including our affiliates, unless the client has granted us permission to do so (e.g., in order to manage a portfolio, or to settle or process transactions), or unless we have a legal or regulatory obligation to provide information (e.g., in response to a request from a regulatory or other authority). We also have various data privacy protocols to prevent information being accessed by individuals other than the intended recipient. These measures include encrypted and password-protected emails, and the classification of emails based on the sensitivity of the information being sent.

Outside Business Interests

When NTAM employees, including directors or non-executive directors, hold outside appointments, such appointments could potentially interfere with their job performance or judgement, or create conflicts with the best interests of clients. Therefore employees across NTAM must seek prior approval for outside appointments and activities, and, in certain circumstances, such positions will not be approved.

Third-party Research

NTAM EMEA purchases external research from third-party providers, some of which may also provide trade execution services. Such research could be underpriced in order to induce NTAM EMEA to consume other services to the potential detriment of the client. NTAM EMEA does not accept unsolicited research and pays for third-party research from its own resources.

Potential Conflicts Specific to Engagement and Proxy Voting

In most instances, the fact that we use third-party services, through Institutional Shareholder Services (ISS) and EOS, helps mitigate potential conflicts. ISS and EOS apply our guidelines and supplemental instructions objectively.

Conflicts are most likely to occur in instances where NTAM performs stewardship activities directly with an investee company, or when we apply discretionary authority over a proxy voting issue. Conflicts may arise where NTAM or the Northern Trust Corporation has a commercial relationship with an investee company, or when engaging with or voting on portfolio company matters in which our staff have material holdings or personal relationships and connections. Conflicts may also occur if NTAM engages with or votes on matters at companies that are direct competitors, or companies whose directors also sit on a Northern Trust Corporation board.

With respect to engagement activity, and as noted in [Principles 2](#) and [8](#), we have appointed EOS to engage with companies according to our global engagement policy. In 2023, NTAM reviewed internal controls and content related to our engagement policy, annual Stewardship Report, sustainable investing philosophy, and vendor management of ISS and EOS, including a review of how we manage conflicts. For 2024, the stewardship team plans to meet regularly to enhance engagement with key internal stakeholders over ongoing activities and updates in relation to third-party services.

The policies and procedures for identifying and managing conflicts of interest that may arise in the execution of our voting activities are outlined in Section 5 of the [Northern Trust Proxy Voting Policies, Procedures and Guidelines](#).

Additionally, as described in [Principles 5](#) and [8](#) and elaborated on below, we have developed various controls to identify and manage conflicts that may arise from discretionary actions taken by the Proxy Committee or through our proxy advisor, ISS.

In situations where the Proxy Committee is responsible for making a decision on a proxy vote because the proxy voting service is unable or unwilling to provide a recommendation, the committee will need to determine whether a material conflict of interest exists.

For example, a material conflict of interest could arise when voting proxies which relate to the following non-exclusive types of issues:

- Securities issued by Northern Trust Corporation or its affiliates.
- Matters in which Northern Trust Corporation has a direct financial interest (such as shareholder approval of a change in mutual fund advisory fees where Northern Trust is the fund advisor).
- Instances where Northern Trust Corporation, its board members, executive officers, and/or others maintain relationships with the issuers of securities, proponents of shareholder proposals, participants in proxy contests, corporate directors or candidates for directorships.
- Instances where an attempt has been made to influence voting recommendation, whether directly or indirectly.

If the Proxy Committee determines that a material conflict of interest exists, it may resolve the conflict in a number of ways. These ways may vary, consistent with its duty of loyalty and care, depending on the facts and circumstances of each situation and the requirements of applicable law. The methods for resolution are as follows:

- Recommendation of an independent fiduciary to resolve the conflict;
- Taking the client's direction about how to vote;
- Abstaining; or
- Using a "mirror voting" arrangement (under which the committee votes shares in the same manner and proportion as some or all of the other shares that it is not responsible for voting).

The stewardship team uses watchlists and other alerts to help identify potential conflicts. It seeks guidance about how to process these from the Proxy Committee, and legal and risk support teams. For example, we maintain a watchlist of entities where our directors, officers, or key employees serve as directors. Also, to reduce the likelihood of having to use discretion when executing our voting policy, we may provide ISS with supplemental instructions to apply against lists of target companies built on the basis of objective criteria using third-party data. Alternatively, we may ask ISS to build a target list. We provide ISS with instructions about how to vote when companies are on these watchlists.

NTAM identified a small number of conflicts during 2023. Specifically, four conflicts of interest arose relating to:

- NTAM voting in line with our third-party proxy voting service's recommendation;
- where the issuer was a significant vendor/distributor of NTAM products;
- where a director or trustee of Northern Trust Corporation, its subsidiaries or investment products was involved; or
- where an immediate family member of such director or trustee was also serving as an officer or director of the issuer.

The Proxy Committee, in consultation with our legal and risk groups, identified each as a non-material conflict and voted either in accordance with the vote recommendation received from ISS, or voted against with the approval of at least 70% of the committee's voting members. This course of action corresponds with section 5 of our proxy voting policies, procedures, and guidelines.

CASE STUDY²⁸

Resolving a Conflict

From time to time, NTAM receives a proxy ballot for various public securities in which a director who is up for election or re-election is also a member of Northern Trust Corporation's board of directors. This situation occurred in 2023 and could have resulted in a material conflict of interest.

THE CONFLICT OF INTEREST

In 2023, three directors of Illinois Tool Works, Inc. were also members of Northern Trust Corporation's board of directors.

WHY IT WAS A CONFLICT

NTAM is required to guard against the potential for self-dealing and mitigate conflicts affecting the bank or any of its directors, officers, or employees. The same requirement applies to affiliates of the bank or any of their directors, officers, or employees, as well as individuals or organizations who have an interest that might influence the bank's exercise of its best judgment.

Self-dealing occurs when a fiduciary acts in its own best interest in a transaction, rather than in the best interest of its clients. Self-dealing in stewardship can arise

if a financial advisor is responsible for recommending to a client how to execute decisions about proposals for proxy votes at an investee company's annual general meeting or extraordinary shareholders' meeting. This includes where a director at an investee company who is up for election or re-election is also an employee, an officer, or a member of Northern Trust Corporation's board of directors, or whose spouse or dependent is a director who is up for election at an investee company.

HOW WE RESOLVED IT

The stewardship team uses watchlists and other alerts to help identify potential conflicts. Working together with our legal team we maintain a list of the outside positions of employees, officers, directors and their respective spouses and/or legal dependents. We use this list to alert us when conflicts relating to proxy votes arise.

In 2023, NTAM voted in line with our third-party proxy services' recommendations for all items relating to Illinois Tool Works, Inc. at its annual general meeting. We employ these proxy services to provide such recommendations on behalf of the Proxy Committee.

²⁸ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 PRINCIPLE 1
Purpose, Strategy and Culture
- 05 PRINCIPLE 2
Governance, Resources and Incentives
- 06 PRINCIPLE 3
Conflicts of Interest
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets**
- 08 PRINCIPLE 5
Review and Assurance
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers
- 12 PRINCIPLE 9
Engagement
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities
- 16 Appendices

PRINCIPLE 4

07 Promoting Well-Functioning Markets

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



Identifying and Navigating Risks

Systemic risks can threaten to destabilize increasingly interconnected financial markets. We take seriously our responsibility to identify and navigate these risks, as doing so enhances our ability to preserve investors' capital and, ultimately, enable them to achieve their long-term financial objectives.

Last year, the markets we operate in fared better than expected, with economic activity persevering despite various systemic risks. Higher interest rates created stress in certain corners of the banking sector during the first half of the year with subsequent failures and forced mergers casting doubt over firms and the industry. Fortunately, the worst cases were resolved and confidence returned. Throughout this tumultuous period, Northern Trust Corporation's balance sheet and reputation remained strong.

Risk Management Framework

Northern Trust Corporation employs an integrated risk management framework to enable a risk-informed profile and support its business decisions and the execution of its corporate strategies.

The framework provides a methodology to identify, manage, report and govern both internal and external risks to Northern Trust Corporation, and promotes a culture of risk awareness and good conduct across the organization. Northern Trust Corporation's risk culture encompasses the general awareness, attitude and conduct of employees with respect to risk and the management of risk across all lines of defense within the organization. Northern Trust Corporation cultivates a culture of effective risk management by defining and embedding risk management accountabilities in all employee performance expectations, and provides training, development and performance rewards to reinforce this culture.

Northern Trust Corporation's risk management framework contains three interrelated elements designed to support consistent enterprise risk identification, management and reporting: a comprehensive risk inventory, a static taxonomy of risk categories and a dynamic taxonomy of risk themes.

Geopolitical Events

Our investment teams monitor developing geopolitical events and report their observations via risk oversight forums in the regions in which we operate.

We assess risks by engaging with industry specialists along with NTAM's senior management. We stress-test investment strategies and conduct in-depth reviews of portfolio performance. This work is incorporated into the review and update of risk playbooks and other potential risk enhancements.

During 2023, we continued to monitor closely risks associated with military conflict involving Ukraine and the Russian Federation. Our monitoring encompassed positions in individual securities, economic sanctions and assessment of the impact on market infrastructure such as brokers and exchanges. More generally, steering groups are formed to guide responses to external events, and workshops are held on emerging risk scenarios (e.g., developments related to the U.S. federal debt ceiling).

The risk inventory is a detailed register of the risks inherently faced by Northern Trust Corporation. The risk categories and risk themes are classification systems used for categorizing and managing the risk inventory and enabling different risk profile views. All identified risks inherent in Northern Trust Corporation's business activities are cataloged into the following risk categories: credit, operational, fiduciary, compliance, liquidity, market, and strategic risk. All material risks are also dynamically cataloged into various risk themes, which are defined groupings that share common characteristics, focus on business outcomes and span across risk categories.

Northern Trust implements its risk management framework through a "three lines of defense" operating model, embedding a robust risk management capability within its businesses. The model, used to communicate risk management expectations across the organization, contains three roles, each with a complementary level of risk management accountability. Within this operating model, Northern Trust Corporation's businesses are the first line of defense for protecting it against the risks inherent in its businesses and are supported by dedicated business risk management teams. The Risk Management function, the second line of defense, sets the direction for Northern Trust Corporation's risk management activities, and provides aggregate risk oversight and reporting in support of risk governance. Audit Services, the third line of defense, provides independent assurance as to the effectiveness of the integrated risk framework.

Climate Risk

Climate risk continues to be an evolving strategic risk. It refers to the risk of loss arising from climate change and is comprised of physical risk, liability risk and transition risk.

Physical risk refers to risks to the financial system emanating from the increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). It can also refer to longer-term shifts in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise). Liability risk stems from the potential for litigation where institutions and boards do not adequately consider or respond to the impacts of climate change. Transition risk reflects the risks to financial systems of transitioning to a lower-carbon economy that may entail extensive policy, legal, technological, and market changes. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risks.

For several years, our Capital Markets Assumptions outlook has acknowledged climate risk as one of the six key prominent themes we saw facing investors over the next 10 years.

Economic growth, already restrained by debt and demographic issues, could be further constrained by the necessary but costly investment required by the green energy transition, which we see as a contributing factor to slower growth expectations in the short term. We expect some transition risk to be priced in by financial markets in the most exposed asset classes, notably natural resources and global listed infrastructure.

Northern Trust Corporation's Chief Climate Risk Officer oversees climate risk management and served on the Chief Risk Officer's leadership team. The Risk Management function has created a dedicated climate and sustainability risk unit to monitor, oversee and take account of the increasing impact that climate change has, or may in the future have, on financial risk, non-financial risk, and regulatory compliance across the globe. The climate and sustainability risk unit works to evolve the risk management framework to ensure Northern Trust Corporation meets the expectations of all stakeholders.

During 2023, NTAM enhanced investment risk oversight of our UCITS fund products, including monitoring of product-level ESG targets and exclusions. Actions include the monitoring of ESG scoring of products versus their parent benchmarks, oversight for breaches on ESG exclusions versus fund investment guidelines, and, where applicable, assessing carbon intensity reductions against fund objectives. These initiatives strengthened our ability to respond to systemic risk in our investment activities, in particular when combined with our risk management framework.

Market Volatility and Risks

Investment and risk management teams monitored closely the global market environment.

During periods of elevated market volatility, we enact enhanced daily monitoring processes. Stress testing and risk exposure processes continue to be regularly updated in line with applicable regulatory guidance and market events.

Industry Advocacy

NTAM is involved with various industry organizations to better understand and support climate initiatives. These include a range of industry initiatives that are aimed at reducing systemic risks linked to long-term sustainability, including climate change.

One example is our membership in the International Sustainability Standards Board's (ISSB) Investor Advisory Group, which promotes more complete corporate disclosure of material sustainable business practices. Such efforts underscore our commitment to engaging in policy and regulatory initiatives to promote high standards. In addition to participating in and supporting industry organizations, NTAM remains closely involved in ongoing policy and regulatory developments via active engagement with policymakers, industry and standard setting bodies.

In 2023, NTAM participated in a feedback dialogue regarding the future of Principles for Responsible Investment (PRI) reporting, sharing our perspective on the topic of reciprocal reporting (e.g., where we report on similar content areas across different reports, such as the TCFD report and the PRI report), on the use of the PRI reporting results for benchmarking, and the functionality of the reporting database and processes.

In 2023, we joined a new collaborative engagement initiative launched by the Institutional Investors Group on Climate Change (IIGCC), the Net Zero Engagement Initiative, which seeks enhanced disclosure of corporate net zero transition plans. The initiative focuses on heavy users of fossil fuels, broadening the scope of investor collaborations to increase focus on the demand side.

Further, we are a founding member of the One Planet Initiative, which aims to advance the understanding of climate-related risks and opportunities and, through the sharing of investment practices, find ways to best integrate those risks and opportunities into the investment process for long-term portfolios. We actively engage with standard

setters and regulators, asset owners and the broader investment management industry to help advocate for the acceleration of the integration of climate change analysis into the management of large, long-term and diversified funds.

We also are founding members of Climate Action 100+, which represents \$68 trillion in assets of participating investment firms (as of last official count in July 2022) who engage with the largest publicly held corporate emitters of climate-damaging greenhouse gases. Investors encourage these companies to align their governance, business strategies, risk management and public reporting with best practices to manage the transition to a lower carbon world. We have co-led four engagement

campaigns and supported over a dozen more. When engaging with companies' boards on climate-related matters, Climate Action 100+ encourages companies to adopt climate-related reporting that aligns with the framework recommended by the TCFD, using metrics that meet SASB Standards. More broadly, we participate in a range of industry initiatives that aim to contribute towards reducing systemic risks linked to sustainability. This includes our membership in the International Sustainability Standards Board's Investor Advisory Group, which promotes more complete corporate disclosure of material sustainable business practice.

- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 PRINCIPLE 1
Purpose, Strategy and Culture
- 05 PRINCIPLE 2
Governance, Resources and Incentives
- 06 PRINCIPLE 3
Conflicts of Interest
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets
- 08 PRINCIPLE 5
Review and Assurance**
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers
- 12 PRINCIPLE 9
Engagement
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities
- 16 Appendices

08

PRINCIPLE 5

Review and Assurance

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



Review of Policies

Each year, NTAM conducts a robust policy review to consider additions, revisions and updates to our proxy voting and engagement policies, procedures and guidelines.

This review includes our policies on important matters such as the composition and independence of boards of directors, and emerging ESG issues. Our Proxy Committee, with input from the Sustainable Investment Council, also reviews how we oversee implementation of our stewardship objectives.

At the beginning of the annual process, the stewardship team performs a review of emerging issues and trends across a range of ESG topics, drafts summary recommendations and circulates them to the members of the Proxy Committee for review and discussion. Agreed-upon changes are incorporated into the guidelines and sent to the Proxy Committee once more for final approval.

During the 2023 policy review period, the Proxy Committee looked at a number of policy issues related to board structure and composition, and other ESG matters such as our engagement policies on climate change. In early 2024, the updated EMEA engagement policy was approved reflecting updates to our net zero engagement strategy. Please see [Principle 6](#) for more detail.

Assurance: Checks and Balances

Northern Trust Corporation implements its risk management framework through a “three lines of defense” operating model, embedding a robust risk management capability within its businesses.

For stewardship, NTAM’s Proxy Committee is the first line of defense. It is responsible for identifying, measuring, monitoring and controlling the risks associated with our stewardship activities. NTAM’s stewardship team works closely with the risk division to identify and assess key processes, risks and controls through a risk control self-assessment program.

The risk management function, the second line of defense, sets the direction for Northern Trust Corporation’s risk management activities, and provides aggregate risk oversight and reporting in support of risk governance.

Northern Trust Corporation’s third line of defense is internal audit, which independently assures the effectiveness of our operating model. It evaluates the adequacy of the policies, procedures, and processes established by the other lines of defense, as well as our compliance with them.

Fair, Balanced and Understandable Reporting

We have adopted the CFA Institute's Global Investment Performance Standards, which guide how we communicate investment performance results and risk statistics to investors.

We convey information to clients and prospective clients, including institutions and high-net-worth individuals, through strategy and fund fact sheets, websites, blogs, webinars and conferences. We publish audited fund annual reports that detail holdings, transactions and valuations. Clients also receive periodic statements reporting their specific performance results, portfolio characteristics and risk statistics.

Related to our stewardship activities, we provide reports on proxy voting activities in line with clients' expectations. Additionally, we report on other aspects of stewardship such as engagements with company management, and provide full disclosure of our annual voting records and quarterly reports of stewardship activity.

Beyond these, our activities are designed to be in alignment and compliance with all relevant regulations and applicable market codes, including but not limited to the U.K. Stewardship Code 2020; the revised EU Shareholder Rights Directive (2017); the Dutch Stewardship Code, the UN-supported Principles for Responsible Investment; and the Aotearoa New Zealand Stewardship Code.

To deliver a final level of third-party assurance, we engage the services of an external auditor to issue a system and organization control report (SOC 1), which includes an evaluation of our outside proxy voting service Institutional Shareholder Services (ISS). The auditor focuses on reviewing meetings where ISS may have a financial conflict of interest. The auditor also examines how the Proxy Committee has acted on the issues where ISS is not authorized to represent us, or where the Proxy Committee has made an exception to our proxy voting policies, procedures, and guidelines. There were no exceptions identified in the testing of the related controls in 2023. (For more details regarding our monitoring and oversight of ISS and EOS please refer to [Principle 8.](#))

This operating model seeks to provide assurance to all governing bodies that our processes are designed and operating effectively. It also ensures day-to-day checks and balances on decision making.

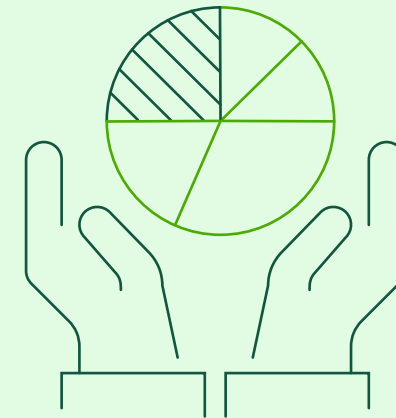
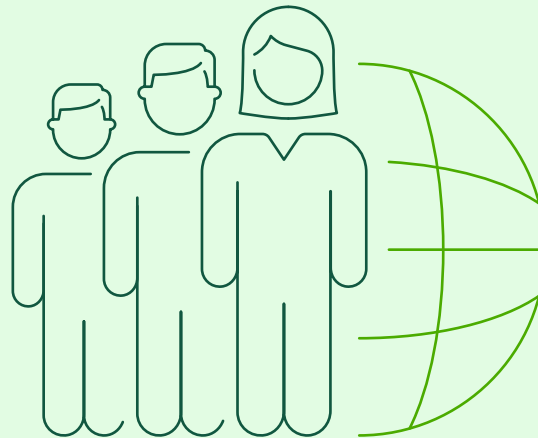
- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 [PRINCIPLE 1](#)
Purpose, Strategy and Culture
- 05 [PRINCIPLE 2](#)
Governance, Resources and Incentives
- 06 [PRINCIPLE 3](#)
Conflicts of Interest
- 07 [PRINCIPLE 4](#)
Promoting Well-Functioning Markets
- 08 [PRINCIPLE 5](#)
Review and Assurance
- 09 [PRINCIPLE 6](#)
Client and Beneficiary Needs**
- 10 [PRINCIPLE 7](#)
Stewardship, Investment and ESG Integration
- 11 [PRINCIPLE 8](#)
Monitoring Managers and Service Providers
- 12 [PRINCIPLE 9](#)
Engagement
- 13 [PRINCIPLE 10](#)
Collaboration
- 14 [PRINCIPLE 11](#)
Escalation
- 15 [PRINCIPLE 12](#)
Exercising Rights and Responsibilities
- 16 Appendices

09

PRINCIPLE 6

Client and Beneficiary Needs

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



Understanding Our Clients' Needs

By regularly gathering client feedback on our stewardship activities and outcomes, we gain an invaluable view into the issues that are top-of-mind with the investors we serve.

NTAM's stewardship, sustainable investing, client engagement and sales teams meet regularly with clients. Due to the sophisticated nature of our client base and the high priority placed on ESG issues and active ownership, valuable feedback is provided in these meetings that enables us to understand the needs of our clients, which helps inform our stewardship priorities. We view direct interactions between our stewardship team and clients as one of the most effective ways of gathering feedback and communicating the activities and outcomes of our stewardship program. We believe the in-person dialogue deepens our relationships and reduces the risk of misinterpretation of information that can sometimes occur through indirect communication.

We also monitor client concerns raised in requests for proposal and due diligence questionnaires, seeking to identify trends. As a result of this feedback, we initiated a project with our internal reporting teams and external service

providers, ISS and EOS, to align our reporting parameters with the requirements laid out by the Pensions and Lifetime Savings Association and Investment Consultants Sustainability Working Group.

Additionally, the Proxy Committee and Sustainable Investing Council (SIC) integrate client feedback into their decisions by including members with client-facing roles to represent clients' views when we set or implement policies.

It is also important to note that most of our clients — which are predominantly in North America — are pension providers, intermediaries and not-for-profit organizations with very long-term investment horizons. Consequently, we generally assume a long-term investment horizon of over a decade as a minimum for the majority of our investment strategies.

Developing and Enhancing Sustainable Investing Products

As we identify opportunities to enhance our current strategies and develop new ESG products and solutions, we consult with our ESG and portfolio construction experts, as well as with our clients.

A key part to this process is the SIC's regular review and confirmation of the ESG screening methodologies used in our pooled vehicles. Should our team contemplate a potential change to a methodology, the team members speak with clients currently invested in specific strategies to gather important insights that are essential to our evaluation. For example, after an extensive client consultation in 2021, which highlighted the need to enhance the climate aspect within our Custom ESG Screens, in 2022, we added exclusions covering unconventional oil and gas, and Arctic oil. In 2023, the NTAM team undertook its regular client consultation process, with outcomes from these discussions to be assessed in 2024.

CASE STUDY²⁹

Client Need for ESG Integration Within Money Market Funds

THE CHALLENGE

Client demand was growing for an approach to our money market funds (MMFs) which addressed the complexities of managing ESG risk within a MMF while maintaining a focus on capital preservation, yield and daily liquidity.

WHAT WE DID

In 2023, we created an ESG integration approach based on three distinct components, while ensuring the investment objectives of the fund remain fulfilled. The process consists of three pillars:

1. Use of NTAM Custom ESG Screens for corporate and financial issuers.
2. Integration of the Northern Trust ESG Vector Score™ into corporate and financial issuer selection, targeting a 10% uplift relative to a defined and coded investable universe of corporates.
3. Periodic review by the portfolio management team and sustainable investment team to assess and discuss holdings with lower vector scores and other relevant ESG issues.

²⁹ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

THE OUTCOME

As a result of the integration approach, MMF funds are now better able to manage emerging sustainability risks in the corporate and financial issuer component of portfolios. This led to our Euro Liquidity Fund, US Dollar Fund and Sterling Fund being upgraded from Article 6 to Article 8 according to the EU Sustainable Finance Disclosure Regulation (SFDR) definitions in Q2 2023.

CASE STUDY³⁰

Creating an Impact-Focused Green Bond Strategy

THE CHALLENGE

Against a backdrop of cumulative labeled bond (green, social, sustainability, sustainability-linked and transition) issuance passing \$4 trillion in the first half of 2023, client demand was growing for a passively implemented fixed income solution focusing specifically on these instruments.

WHAT WE DID

The team created a strategy that passively tracks the Bloomberg Barclays MSCI Green Bond Index. The index uses MSCI-labeled bonds research to identify fixed income securities which conform to the International Capital Markets Association Green Bond Principles, with use of proceeds aligned to a proprietary environmental taxonomy covering: alternative energy, energy efficiency, pollution prevention, sustainable water, green building and climate adaptation.

THE OUTCOME

Clients can now invest in a passive solution and gain exposure to the rapidly growing green bond market, with use of proceeds, management of proceeds and other best practice criteria verified by an external party. The resulting fund which follows the strategy is classified as Article 9, according to the EU SFDR.³¹

³⁰ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

³¹ For more information, please visit <https://www.northerntrust.com/united-kingdom/what-we-do/investment-management/pooled-funds>.

Aligning Stewardship With Client Priorities and Values

We have enhanced our engagement practices by leveraging insights gained from client interactions to identify key trends on social and environmental issues.

In recent years, we have widened our engagement influence through collaborative organizations such as Climate Action 100+. As part of NTAM's engagement strategy, we have also started to encourage our portfolio companies to publish net zero transition plans which set out how they intend to achieve net zero status. We seek to engage where these plans appear lacking or not sufficiently robust.

We recognize, however, that the low carbon transition will be disruptive, and the exact pathway is uncertain. As a fiduciary, we want to ensure long-term capital allocation is executed appropriately in order to prevent value destruction and grasp opportunities for value creation on behalf of shareholders.

When appropriate, and taking into account the fundamentals of value creation, we encourage our portfolio companies to:

- Make a net zero commitment.
- Set short, medium and long-term greenhouse gas (GHG) targets consistent with limiting the global temperature to 1.5 degrees Celsius.
- Disclose GHG emissions specifying Scopes 1, 2 and 3.
- Develop a credible decarbonization strategy, disclosing and quantifying the principal actions to deliver the GHG emissions target.

Stewardship Client Reporting

We seek to offer our clients transparency about our activities, and we continuously work to improve and enhance reporting on stewardship matters.

Quarterly and/or annually, we publicly disclose:

- A list of engagements with companies detailing ESG themes.
- A geographical and sector breakdown of engagement.
- Statistics on the progress of historic engagements by year.
- Case studies of regional engagement and proxy voting.
- Reporting in line with the Pensions and Lifetime Savings Association and Investment Consultants Sustainability Working Group (when requested by clients).
- This annual report on our stewardship activities, including company-specific case studies.

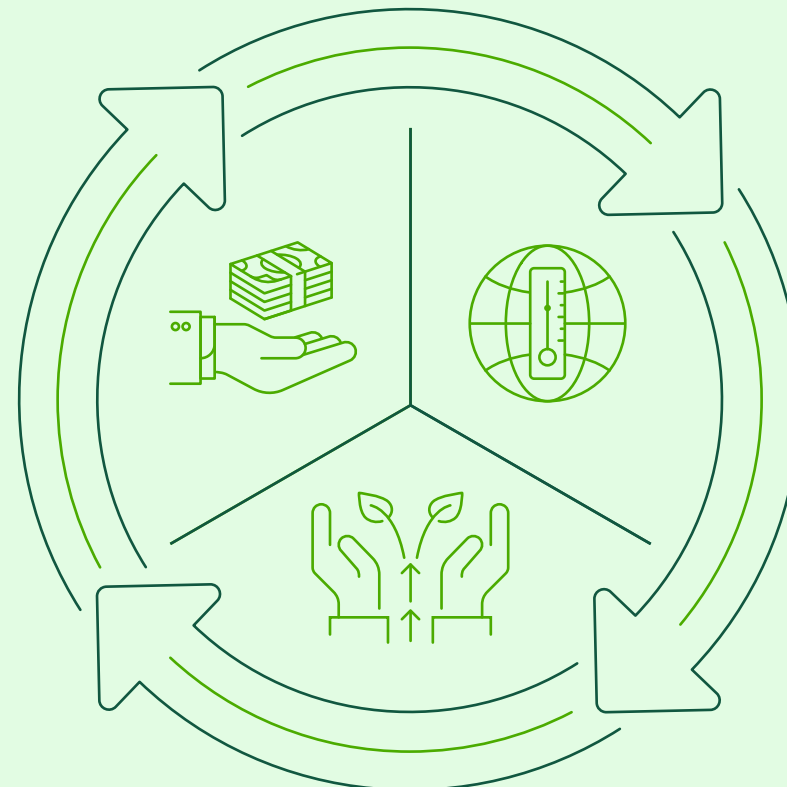
- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 PRINCIPLE 1
Purpose, Strategy and Culture
- 05 PRINCIPLE 2
Governance, Resources and Incentives
- 06 PRINCIPLE 3
Conflicts of Interest
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets
- 08 PRINCIPLE 5
Review and Assurance
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration**
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers
- 12 PRINCIPLE 9
Engagement
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities
- 16 Appendices

10

PRINCIPLE 7

Stewardship, Investment and ESG Integration

Signatories systematically integrate stewardship and investment, including material ESG issues, and climate change, to fulfill their responsibilities.



Sustainable Investing Approach

We employ a rigorous analytical investment approach, leveraging quantitative and fundamental research and our expertise to uncover financially relevant information that can impact a company's performance.

To implement this approach, our sustainability and stewardship specialists work in tandem with investment management teams to identify investment and engagement opportunities. Our investment solutions purposefully employ a robust four-step investment approach: analyze, measure, monitor and engage.

Four-Step Investment Approach

1. Analyze

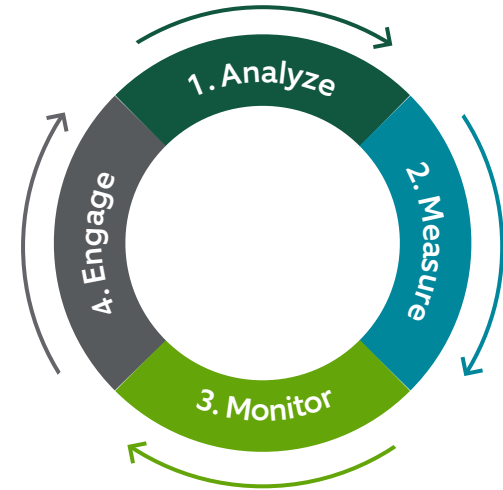
We seek out relevant ESG topics and issues — those that are financially material and industry specific — that can shape short- and long-term results. We develop proprietary frameworks of measurable ESG targets by leveraging a mix of leading industry-standard frameworks, such as SASB Standards and the TCFD, and our more than 30 years of practical ESG portfolio building experience.

2. Measure

We believe the companies that put sustainability at the core of their business — those with a strong strategic vision and a deep understanding of the inter-connectivity between people, planet and profit — are likely to reap long-term rewards. We use all the tools at our disposal — external leading ESG data sets, our proprietary research and analytics, custom exclusionary screens, and decades of experience — to select the key performance indicators to measure how well publicly traded companies are performing on the ESG topics and issues we deem business-relevant and financially material.

3. Monitor

We continuously assess the sustainability performance of the securities we select for our ESG portfolios. From industry-specific frameworks to our proprietary Northern Trust ESG Vector Score™ and custom exclusionary criteria, we develop a comprehensive view that helps us separate the leaders from the laggards and flag the companies that require additional research or targeted engagement.



4. Engage

Stewardship is an integral part of our investment process, rooted in our firmly held belief that it is our duty to regularly engage with the companies in our portfolios. That's why we identify long-term risks that have the potential to pose challenges to shareholder value, and we engage on issues of substance — those that can affect business on many levels. This active ownership approach applies to all companies we invest in — whether the investment strategy is actively managed or indexed. Our disciplined proxy voting policy and multi-cycle engagement program encourages the companies in which we invest to pursue and disclose sustainable business practices that we believe will lead to long-term value.

Collaborating with Investment Research

The sustainable investing and stewardship teams regularly collaborate with NTAM's investment research teams on client-focused research and thought leadership.

Our fundamental research team provides sector and company insights to help assess the financial impact of a company's ESG risks, supporting the stewardship team to prioritize companies with which to engage with and topics to discuss. As thought leaders, the research teams participate in SASB Standards advisory groups that cover various topics, including social media content management, human capital management, and extractives and mineral processing. SASB Standards are industry-specific sustainability disclosure standards focused on financial materiality.

Lastly, a multi-disciplinary team of quantitative research analysts, product developers, strategists and portfolio managers support the ongoing development of our proprietary ESG assessment framework, the Northern Trust ESG Vector Score™.

Our fundamental research team provides sector and company insights to help assess the financial impact of a company's ESG risks, which helps the stewardship team prioritize companies with which to engage and topics to discuss.

Our fundamental research team provides sector and company insights to help assess the financial impact of a company's ESG risks, which helps the stewardship team prioritize companies to engage with which to engage and topics to discuss.

The Proprietary Northern Trust ESG Vector Score™

As the demand for ESG-driven investing has accelerated, so too has the number of data providers and varying ESG scoring methodologies.

This growing challenge has created the need for a more transparent and disciplined framework that helps reduce the confusion and subjectivity that exists today. Such a framework should draw upon the guidance from leading industry groups, which have paved the way in establishing more consistent standards and recommendations.

The Northern Trust ESG Vector Score™ focuses on the magnitude and direction of key ESG-related business issues likely to have a financial impact on companies, and hence a portfolio's performance. It provides a consistent, transparent methodology to gain greater clarity when building and managing sustainable portfolios. Additionally, it acts as a valuable indicator of corporate management of sustainability risks and can play an important role in stewardship activities by drawing attention to financially material issues facing companies so as to help identify those firms with which we engage and track progress.

Northern Trust ESG Vector Score™ Benefits

Enables more purposeful and transparent integration of ESG considerations into investment processes, addressing the need for a consistent way to measure and report on ESG investments.

Provides a consistent, transparent methodology to gain clarity when building and managing sustainable portfolios, by focusing on the magnitude and direction of key ESG-related business issues likely to have a financial impact on companies.

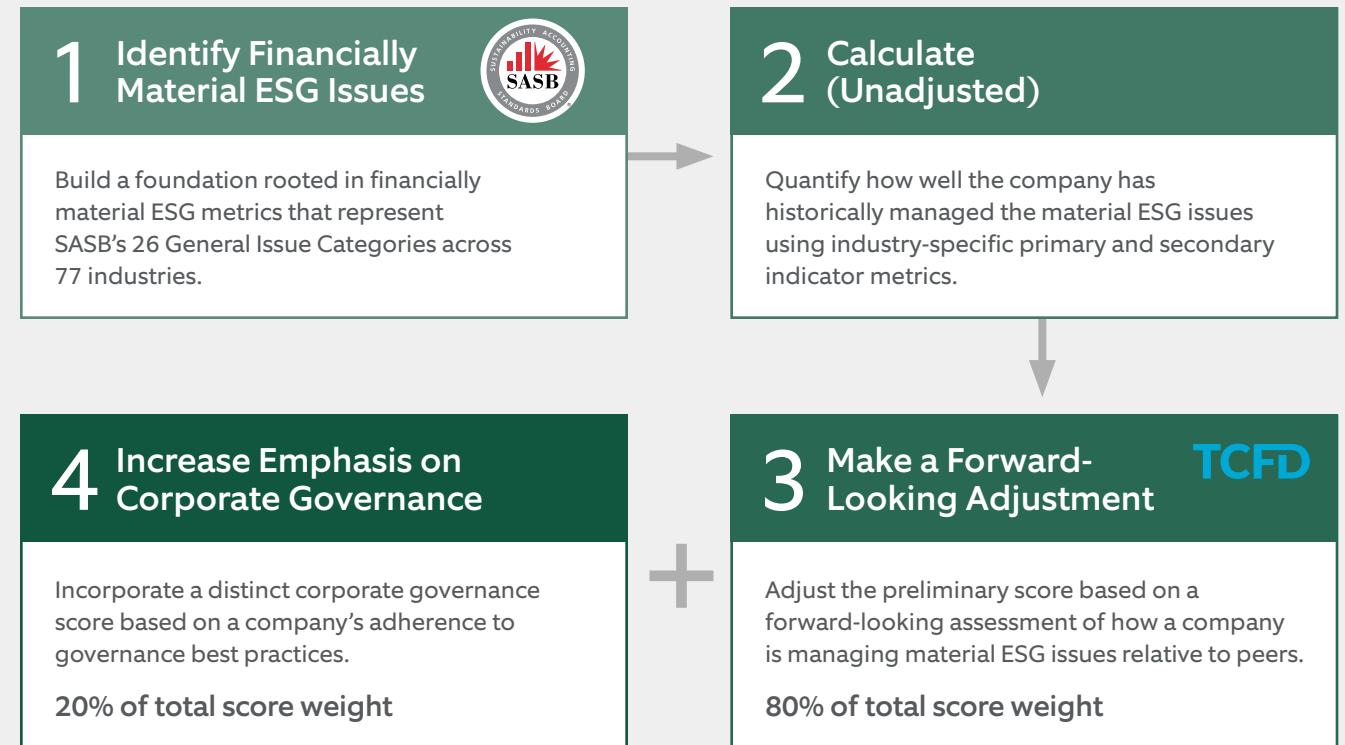
Offers more precision in identifying ESG-related business risks that could impact portfolio performance, whether constructing portfolios using best-in-class security selection or exclusionary techniques.

Assists in prioritizing corporate engagements, further aligning sustainable investments and stewardship — leading to more deliberate engagements and the ability to track progress over time with a consistent metric.

Our industry-first approach marries two leading sustainability disclosure standards and frameworks — the SASB Standards, which are industry-specific sustainability disclosure standards focused on financial materiality, and the thematic structure of the TCFD recommendations. The design enables more purposeful and transparent integration of ESG considerations into investment processes, addressing the need for a consistent way to measure and report on ESG investments.

The Northern Trust ESG Vector Score™ forms the core of several investment products offered by NTAM, including several exchange-traded funds (ETFs) that use the score to help select equities and investment grade bonds.

Northern Trust ESG Vector Score™ Process



Source: Northern Trust Asset Management.

CASE STUDY³²

Corporate Governance as a Component of Quality

Quality is the tie that binds our quantitative strategies together at NTAM. Our view is that quantitative strategies must have a foundation in company fundamental financial metrics, and our quality score is a quantitative assessment of those fundamentals. We apply a holistic quality framework across multiple dimensions that each helps form a more complete mosaic.³³ To evaluate whether a factor such as quality has efficacy, we look to build an empirical case and to identify an underlying economic rationale. Empirically, quality's benefits have been well-researched by ourselves and other industry participants.³⁴ To briefly state the economic rationale, a high-quality company is one that is more effective than its peers at turning its capital base (assets, equity) into results (revenue, cash flow, income), but does so in a prudent manner. For largely behavioral reasons, such as the lottery effect, high-quality companies tend to be under-appreciated in the marketplace, which helps explain the return premium observed over time.³⁵

To strengthen our management of portfolio risks, in 2023 we created a quantitative assessment of corporate governance leveraging metrics on board structure and effectiveness, ownership rights and capital structure, and financial transparency and remuneration practices. The assessment has been leveraged as part of our quality score to enhance our awareness of companies with poor governance attributes so as to limit their participation in our investible universes for our quantitative equity strategies.

³² The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders – often collaboratively – in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

³³ See NTAM's [Quality Factor Profile](#) for more details.

³⁴ See NTAM's research paper [Foundations in Factors](#) as one example.

³⁵ See NTAM's [Quality Factor Profile](#) for more details.

CASE STUDY³⁶

The Triumph Group

Using Governance Factors to Guide Investment Decisions

THE CHALLENGE

Triumph Group's sales, profitability, and cash flow were cyclically depressed due to COVID-19-related pressures on the aerospace supply chain, and the company's balance sheet leverage was very high, in our view.

WHAT WE DID

Utilizing a corporate governance lens, we reviewed several years of Triumph's proxy statements and noted the new inclusion of a net debt/adjusted EBITDA ratio metric in the company's Long-Term Incentive Plan (LTIP) in 2022. We placed a significant weight on both short-term and long-term metrics and tracked year-to-year changes in those metrics to look for alignment with our investment thesis.

THE OUTCOME

We gained confidence in management's focus and intent to lower balance sheet leverage and maintained a notable overweight position to the credits in the high yield fund. In December 2023, Triumph announced the sale of its Product Support Group business for \$700 million. The company used a significant portion of the proceeds to pay down outstanding debt, driving notable outperformance in our High Yield holdings.

³⁶ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

CASE STUDY³⁶

Credit Suisse

Navigating Governance Challenges

THE CHALLENGE

Credit Suisse Group experienced several large losses and management turnover in 2021–2022, driven by material weaknesses in the company's risk, compliance, and broader governance practices.

WHAT WE DID

Given our ongoing governance concerns, we reduced short duration credit limits to Credit Suisse in 2021 and eliminated them entirely in 2022. We also exited our position in Credit Suisse junior subordinated AT1s in High Yield accounts in 2022.

THE OUTCOME

These actions taken by our capital structure team helped avoid significant losses. In March 2023, regulators deemed Credit Suisse non-viable forcing its acquisition by UBS and, consequently, wiping out the entire class of AT1 bonds in the process.

CASE STUDY³⁷

Using Energy Transition to Support Our Investment Thesis in Chart Industries

THE CHALLENGE

With mounting concerns of a recession in early 2023, maintaining an overweight position in cyclically exposed industrial companies was a growing challenge.

WHAT WE DID

Utilizing an environmental lens, we looked for industrial companies that stood to benefit from energy transition efforts which could provide an offset to any cyclical pressures tied to slower global economic activity.

THE OUTCOME

Following its unexpected announcement to acquire Howden in late 2022, we viewed Chart Industries as better positioned to leverage energy transition activity and energy security issues. We also viewed the combined company's exposure to hydrogen (all colors), energy recovery, biofuels, nuclear, and liquefied natural gas as a clear offset to any potential cyclical headwinds from lower global growth. We maintained a notable overweight to the credits in our high yield fund which contributed to positive outperformance throughout the year.

³⁷ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Training and Education to Deepen ESG Integration

In 2023, the Sustainable Investing and Stewardship teams led numerous training sessions for NTAM investment professionals, executive leadership, clients and employees to enhance their understanding of sustainable investing data and concepts generally, as well as more targeted training on our sustainable investing business.

These included training or educational sessions on:

- Materiality of ESG issues across asset classes, bringing in external industry speakers and experts.
- ESG product launches and systemic climate risk for sales teams.
- Stewardship in action — promoting positive change through engagement and voting.
- Sustainable investment philosophy and ESG integration for new NTAM employees.
- ESG-related strategy, policies, emerging regulations and market insights.

- Progress on our integration of sustainable principles into our investment process to the Northern Trust Sustainability, Inclusion and Social Impact Council and the Northern Trust board of directors.
- Our sustainable investing philosophy, business and trends for our internal regional sustainable investing working groups.

In addition, reflecting our strong commitment to investment stewardship and the integration of sustainability across our business, in 2023, we launched the Sustainability Learning Hub, a centralized, internal training platform accessible on demand to all NTAM employees globally.

Improving the Integration of Stewardship, Sustainability and Investing

In 2023, the stewardship specialists and the investment team progressed on developing a process for seamlessly linking our stewardship engagements and our investment decisions.

As a guide for this effort, we are using the PRI Active Ownership 2.0 objectives, which encourage investors to shape sustainability outcomes through effective stewardship activities.

- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 PRINCIPLE 1
Purpose, Strategy and Culture
- 05 PRINCIPLE 2
Governance, Resources and Incentives
- 06 PRINCIPLE 3
Conflicts of Interest
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets
- 08 PRINCIPLE 5
Review and Assurance
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers**
- 12 PRINCIPLE 9
Engagement
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities
- 16 Appendices

PRINCIPLE 8

11 Monitoring Managers and Service Providers

Signatories monitor and hold to account managers and/or service providers.



Monitoring Managers and Service Providers

We hire service providers to enhance the alignment of our actions with our clients' needs across engagement and proxy voting activities.

To ensure we exercise a duty of care to our clients, we systematically review our service providers' actions and respond with feedback and remediation measures when they have not met our expectations.

As we discussed in [Principle 5](#), we use a variety of independent assurance tools to review compliance with our policies and instructions by our vendors. We use these assurance tools to oversee Institutional Shareholder Services (ISS), which provides recommendations to us on shareholder votes in accordance with our voting guidelines. ISS does not have discretion in making these recommendations. If our guidelines are not clear, ISS should consult with the Proxy Committee for clarification. The stewardship team performs weekly audits of ISS's votes to assess compliance with our guidelines.

Each year, the Proxy Committee reviews ISS's capacity and competency in analyzing proxy issues, the adequacy of its staffing, and the robustness of its policies and procedures that enable its staff to make accurate proxy voting recommendations on our behalf.

Additionally, we review ISS's ability on an ongoing basis to identify and address real or potential conflicts of interests and determine whether those conflicts may have influenced their voting recommendations. We review annual shareholder meetings of companies with which ISS discloses it has a relationship, to ensure its voting recommendations at the meetings are in accordance with our guidelines. In 2023, we performed assurance tests and did not identify any issues.

We usually review voting recommendations in advance of the shareholder voting deadline, in time to correct our votes. When we identify mistakes, we immediately communicate our findings to ISS. We request a root-cause analysis to understand the likelihood of recurrence and to fix any issues that could lead to systemic errors.

As discussed in [Principle 2](#), we also have appointed EOS to engage with companies according to our stewardship engagement policies and priorities. EOS performs these engagements on behalf of the majority of

our pooled funds, some Asia-Pacific funds and separately managed accounts. Our Sustainable Investment Council and the Product Governance Committee oversee EOS engagements on at least an annual basis.

In addition, we use data providers to assist our ongoing ESG integration across asset classes and investment strategies. The data providers, listed in [Principle 2](#), assist with portfolio construction and research, and aid reporting to stakeholders. Prior to onboarding data providers, we evaluate their methodology and expected outputs to ensure the data aligns with our needs. In conjunction with our model risk management team, we validate the provider's methodology. After onboarding, we monitor any methodology changes and consult with the data providers as needed.

In 2021, we initiated a project to move ESG data from all data providers into cloud storage. In 2023, we advanced our ESG data hub which centralizes sustainability metrics across our investible universe to further the integration and stewardship information across the investment teams.

- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 PRINCIPLE 1
Purpose, Strategy and Culture
- 05 PRINCIPLE 2
Governance, Resources and Incentives
- 06 PRINCIPLE 3
Conflicts of Interest
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets
- 08 PRINCIPLE 5
Review and Assurance
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers
- 12 PRINCIPLE 9
Engagement**
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities
- 16 Appendices

12 PRINCIPLE 9 Engagement

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



Our Approach to Engagement

Serving as an investment steward for \$1.1 trillion³⁸ of client assets is a privilege, and we appreciate the significant responsibility that comes with it.

As global investors, we have the power to identify opportunities for positive change. One way we do this is to encourage companies through dialogue to commit to practices that can improve the environment, society and corporate governance, as we believe sustainable practices can be key drivers of long-term business success.

To influence companies to adopt more sustainable practices, we purposely prioritize engagements. That is, we identify the activities that pose the greatest threats or opportunities related to sustainability and focus on those in which we can seek to make the greatest difference.

We identify these priorities through:

Key themes

These are the themes that have the most impact on society, the planet, and the robustness and transparency of financial markets — including the environment, and health and fair treatment of people. As a guide, we use the United Nations' 17 Sustainable Development Goals to improve health and education, reduce inequality, and spur economic growth.

Internal alignment

We prioritize issues aligned with our internal investment practices, beliefs and goals.

Client priorities

Some of our most effective stewardship outcomes begin with our clients. We listen to what our clients judge as important, and align our efforts with their priorities and organizational values.

Region

Some topics and issues are more pressing within specific geographies. That means priorities may differ by region. For example, diversity, equity and inclusion has been a higher priority in the U.S., while in Europe we focus engagements more on climate change.

Probability of success

We concentrate our efforts on the goals where we are most likely to be successful, using realistic and time-bound objectives.

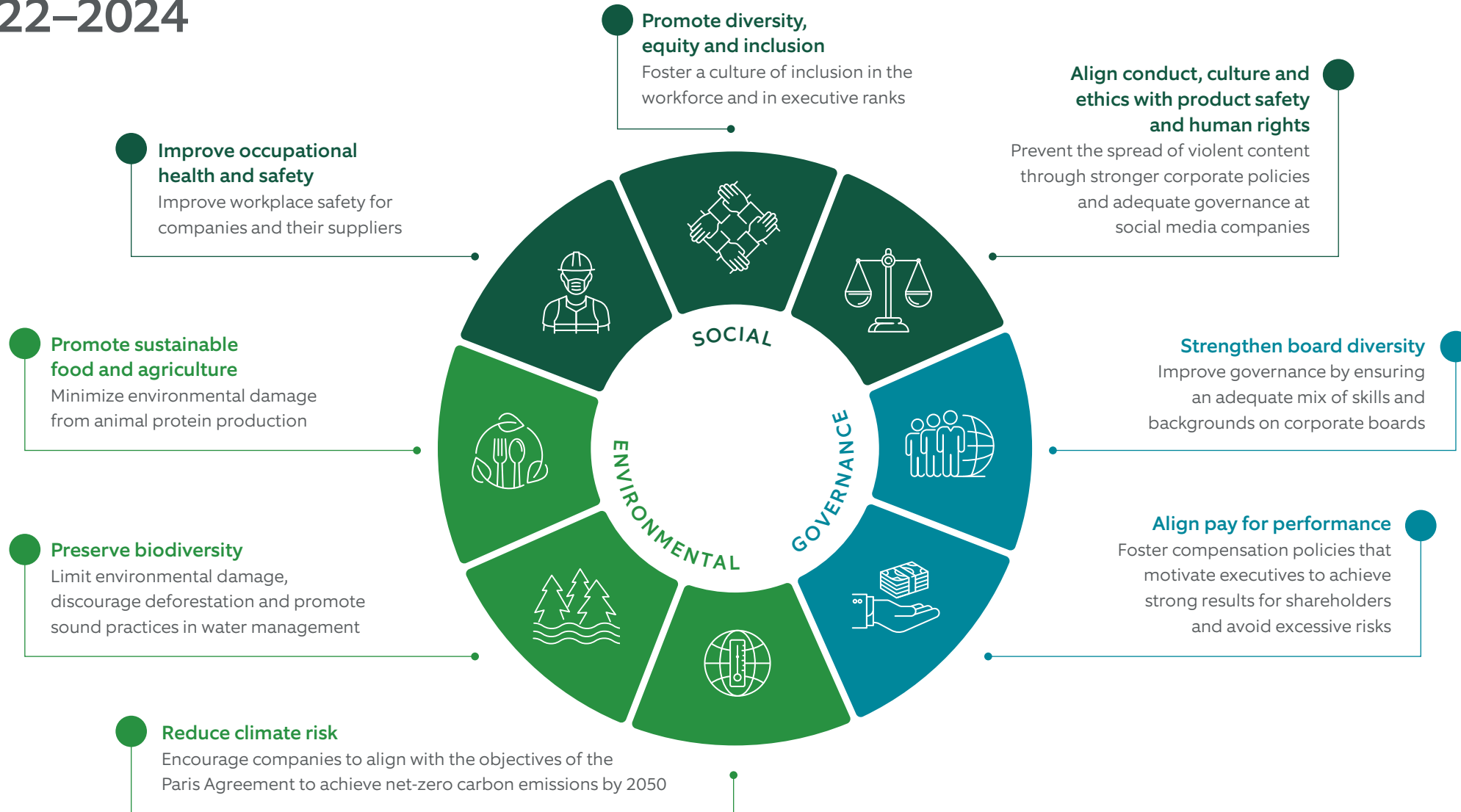
We have identified more than 30 themes that may impact a company's long-term value. We focus our efforts on the key themes/issues where we believe we have the highest probability of achieving results/desired results.

When choosing which engagements to pursue, we consider the following key factors:

- Companies representing significant assets under management across our investment portfolios.
- Companies with the most egregious corporate governance issues.
- Companies with relatively high ESG risks.
- Management's willingness to engage with us.
- Insights from the Northern Trust ESG Vector Score™, described in [Principle 7](#), to help prioritize engagements.

³⁸ Assets under management as of December 31, 2023.

Engagement Priorities 2022–2024



Dynamic risk landscape

CASE STUDY³⁹

Cybersecurity

THE CHALLENGE

In addition to our key themes, we are responsive to emerging ESG risks. Cybersecurity is a growing concern as the rise of cloud computing and the advancement of technology tools over the last decade have transformed the way companies run their businesses. While technology can facilitate and accelerate market access and reach, it is not without risk; studies show that there is a positive correlation between digitization of the workforce and cyber risk.⁴⁰ As companies integrate more digital processes and services into their business strategies, cyber risk increases. The digital transformation has shifted the market to look at cyber risk not as a matter of if, but as a matter of when.

WHAT WE DID

In 2023, we researched and developed a framework for assessing cyber risk and cyber risk preparedness. In doing so we engaged with several companies across a variety of sectors to get input and insights to inform the framework as well as to share the concerns we have regarding the potential risks. Among the companies we spoke to were technology providers Accenture and Microsoft; companies in high-risk

sectors, including financial service firms MetLife, Inc. and J.P. Morgan Chase; and sectors not historically identified as high risk, but which are systemically important to the economy, including energy companies Phillips 66 and EOG Resources. Additionally, we spoke to Boeing about a breach that impacted elements of its parts and distribution business in 2023.

THE OUTCOME

The perception that material cyber risk is concentrated across certain industries or sectors, such as financial services and information technology, is outdated. The interconnectivity and interoperability of businesses through suppliers, supply chain, and communication networks means cyber risk is universal. We are planning a series of internal training across our research teams in 2024 to educate and socialize on some of the factors that might expose a company to higher risk, which includes mergers & acquisitions activities, supply chain concentration, and digital transformation. Separately, we will continue to engage with companies over best practice in cyber risk preparedness.

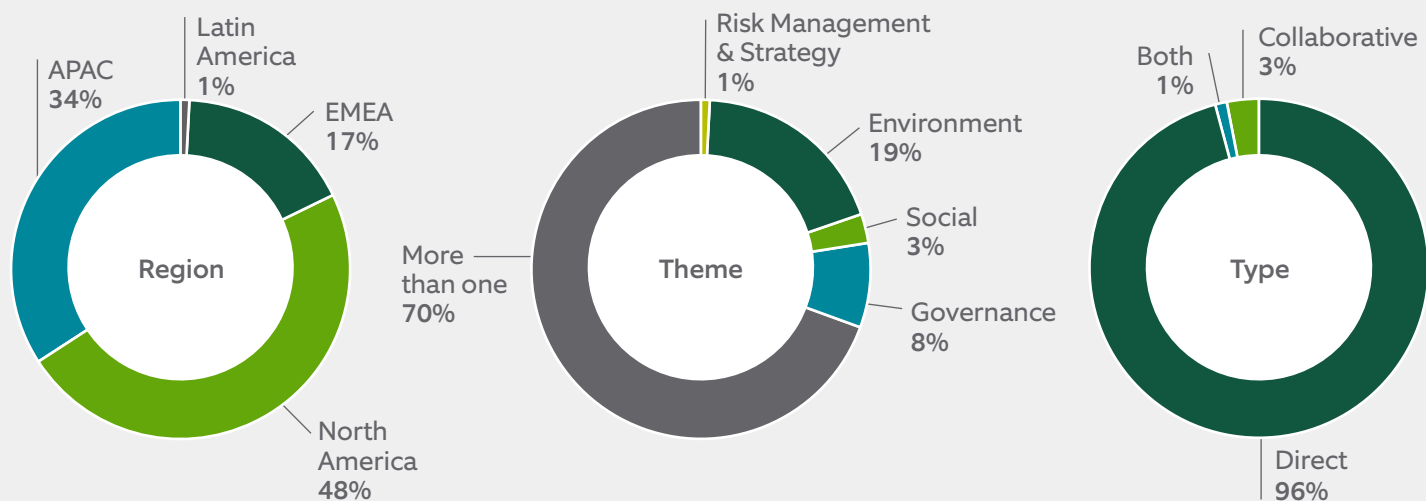
³⁹ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

⁴⁰ Saeed, Saqib, et al: *Digital Transformation and Cybersecurity Challenges for Businesses Resilience: Issues and Recommendations*. July 25, 2023. Available at <https://doi.org/10.3390/s23156666>.

Engagement Across Asset Classes and Geographies

As a manager of equities and corporate bonds, we engage on behalf of investors in both asset classes. As our clients are predominantly long-term investors, we believe many are equally interested in fostering sustainable business practices in both asset classes.

2023 NTAM Engagements⁴¹

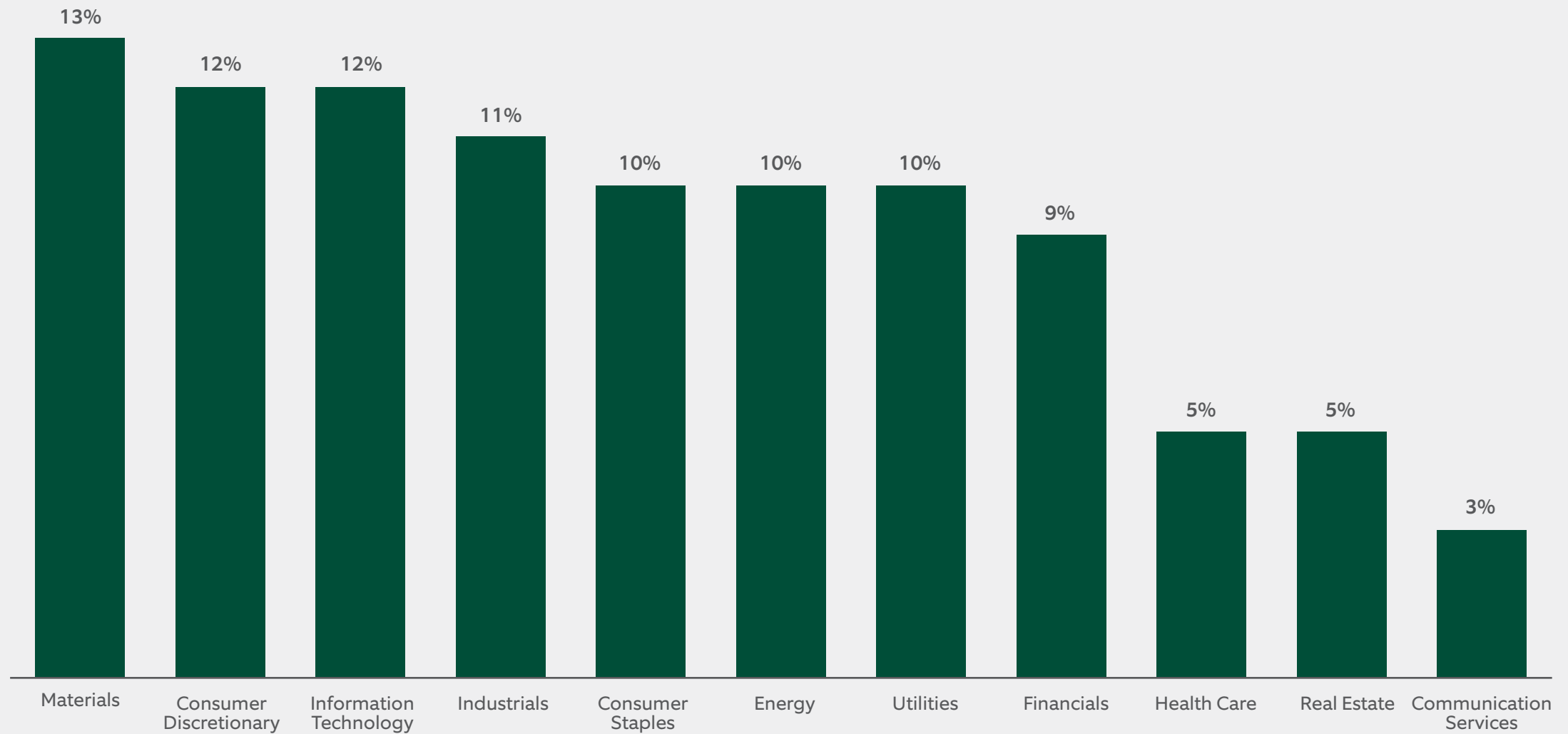


⁴¹ Source: NTAM. An engagement is defined as a meeting or call with an investee company. Individual engagements may have covered one or more themes and multiple engagements may occur with the same company. NTAM engagements capture those performed individually or in collaboration with other investors. In 2023, NTAM engaged with 160 companies across 183 engagements.

In the U.S., we owned both corporate bonds and equities in 77% of the companies with which we engaged in 2023. In Europe, that ownership overlap was 54%. Consequently, when we engage, we do so simultaneously on behalf of equity and bond holders. In the coming years, we plan to expand our fixed income engagements to include government bond issuers (sovereigns).

As we are a global asset manager, we use our voting rights uniformly across regions. However, we prioritize our engagement activities where we can make the biggest difference, in particular the U.S. and Europe, where we manage most of our assets. Our external engagement partner, EOS, helps to extend our engagement in other regions such as Asia and Latin America.

2023 NTAM Engagements by Sector⁴²



⁴² Source: NTAM. NTAM held 183 engagements in 2023.

Methods of Engagement

With the aim of maximizing our influence on key priorities, we engage through a variety of mechanisms and partnerships.

In collaborative engagements (see [Principle 10](#)), we partner with other investors with similar views on sustainability. We approach companies backed by the weight of the group's combined assets, magnifying our ability to influence companies' behavior. This is exemplified by our involvement in initiatives like Climate Action 100+, Farm Animal Investment Risk and Return, Institutional Investors Group on Climate Change and Global Real Estate Sustainability Benchmark.

See [Appendix 3](#) for a list of companies with which we engaged in 2023.



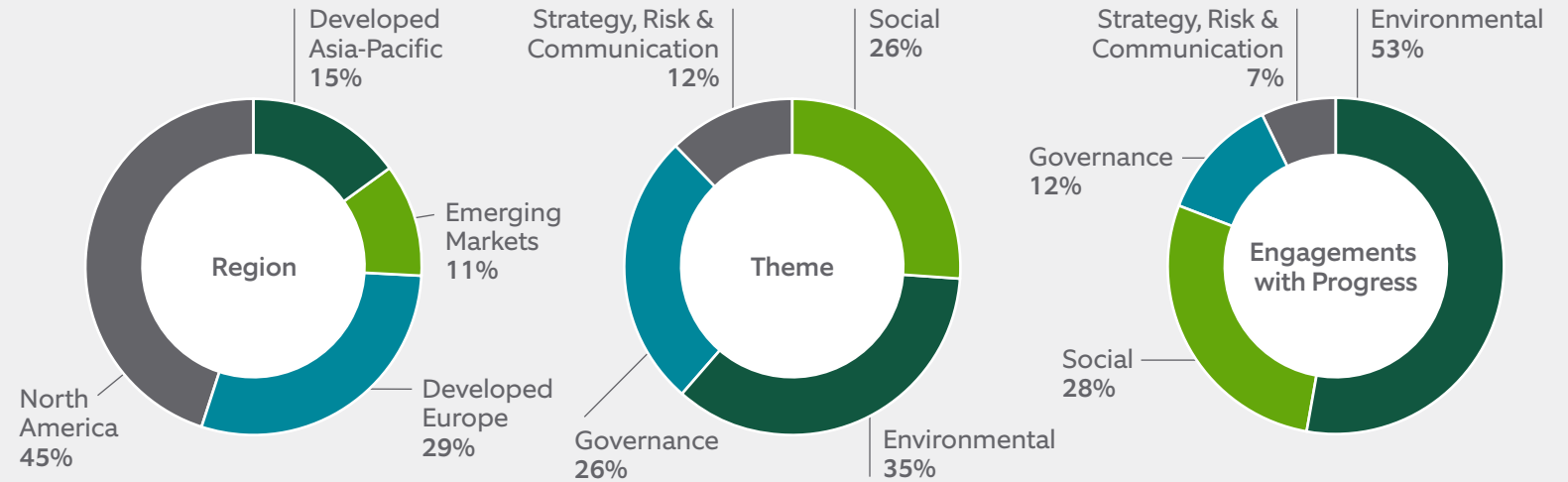
We approach companies backed by the weight of the group's combined assets, magnifying our ability to influence companies' behavior.

Augmenting Our Resources With EOS

To maximize our reach, analytical abilities and influence, we strategically make use of outside resources.

One of those resources is EOS, our engagement services provider. We leverage EOS's scale and expertise to engage with thousands of companies annually across hundreds of markets, to address the issues important to our clients in certain regions in line with our priorities. European and, increasingly, Australian clients have shown the most interest in this level of engagement, which is why EOS represents our funds in those regions.⁴³

2023 EOS Engagements



⁴³ Source: EOS. Engagements with progress mean EOS achieved milestones 2, 3 or 4 with companies. See [Principle 11](#) for an explanation of milestones. EOS engaged on 3,895 themes on behalf of NTAM in 2023. There were 1,876 engagements on objectives with progress.

Reduce climate risk

NTAM CASE STUDY⁴⁴

EOG Resources

Engaging on Emissions, Fracking, and Governance

THE CHALLENGE

Like many oil and gas companies, EOG Resources faces significant environmental challenges, especially regarding Scope 3 emissions. EOG is also subject to risks from regulations regarding the environmental externalities of its water use for fracking. Further, the company's governance does not follow industry best practice, as one individual holds the role of both CEO and chairman. The company has mitigated this by having a strong independent lead director — however he has held the post for more than 20 years, which could undermine his independence.

WHAT WE DID

In 2023, we engaged on behalf of our equity and fixed income holdings with EOG's management to discuss all three of these issues. With regards to the combined CEO/chairman role, the company responded that long-serving directors are useful as they have extensive experience. Turning to water use, we raised our

concerns that ESG ratings firms had flagged EOG's incomplete targets for reducing water consumption and a lack of disclosure. Finally, we discussed their carbon emissions reporting and investigated EOG's plans for emissions reductions.

THE OUTCOME

All three of the issues raised are the subject of ongoing engagement with management, although there is no specific outcome yet. We are reiterating what we would like EOG to do and will continue to follow up.

⁴⁴ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Reduce climate risk

NTAM CASE STUDY⁴⁵

Reliance Industries

Reporting on Scope 3 Emissions

THE CHALLENGE

Oil and gas production and refining is carbon intensive. Integrated oil and gas companies are, therefore, under pressure to adopt net zero carbon commitments. Reliance Industries has announced net zero targets but only for direct operations: it does not include indirect (Scope 3) emissions, which contribute a substantial portion of overall emissions.

WHAT WE DID

In 2023, we engaged on behalf of our equity and fixed income holdings with management to discuss Reliance's decarbonization strategy, recommending that it be more transparent about its roadmap for achieving its targets, and report on short-term and medium-term carbon reduction targets. We highlighted that the company lacks transparency on Scope 3 emissions reporting, especially category 11 (use of sold products). To achieve its net zero targets, Reliance needs to include these indirect emissions.

THE OUTCOME

The company accepted the feedback and agreed to measure and report on Scope 3 emissions in future. Further, the company responded that it would be more transparent about its carbon reduction targets, including the operations which are under its influence. Reliance will also evaluate and report on the role of offsets for achieving its decarbonization-related targets. NTAM will monitor for progress against these goals.

⁴⁵ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Manage water sustainably

NTAM CASE STUDY⁴⁶

Broadcom

Enhancing Reporting on Water Usage

THE CHALLENGE

Semiconductor manufacturing uses a significant amount of water and, as a result, companies face water and gas availability risks, which can lead to operational risks and higher production costs. However, despite the water intensity of their processes, many facilities are in high water stress regions.

WHAT WE DID

In 2023, we engaged with Broadcom representing our equity and fixed income holdings to discuss how it measures water consumption in its own operations, as well as how it mitigates water risks with third-party manufacturers. The company talked about its investments in water reduction and water recycling initiatives at its Fort Collins facility, which is its largest facility and is in a high water stress region.

THE OUTCOME

The company took note of our recommendation to report its water usage in line with SASB Standards, which will require it to additionally disclose water withdrawn in the supply chain, and the percentage of water consumed in high water stress regions, as well as to describe its water management risks. Broadcom assesses its reporting on a yearly basis and will take this into consideration. NTAM will continue to monitor performance against these measures.

⁴⁶ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Labor practices

NTAM CASE STUDY⁴⁷

NIO

Improving Labor Practices

THE CHALLENGE

Labor requirements at automobile companies are shifting rapidly as manufacturing techniques evolve. Employee strikes over wages, benefits, working conditions and freedom of association are relatively common, resulting in disruptions to manufacturing operations. Further, automobile manufacturers depend on suppliers for many parts for their production lines, exposing them to human rights-related risks in their supply chains.

WHAT WE DID

In 2023, we spoke to NIO, highlighting issues about labor management and human rights in its supply chain. Currently there is no labor unionization, no collective bargaining agreement, and no freedom of association among the company's workers. We recommended that the company audit tier 2 and tier 3 suppliers to measure and reduce the risks in the supply chain.

THE OUTCOME

The company responded that it would work towards improving its labor management practices and would also report on initiatives and key performance indicators related to a collective bargaining agreement and freedom of association. Further, the company agreed to focus on conducting external audits of its tier 2 and tier 3 suppliers, and commit to developing a conflict minerals policy. NTAM will continue to engage on these topics.

⁴⁷ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Labor practices

NTAM CASE STUDY⁴⁸

Ralph Lauren

Reviewing Forced Labor Policies

THE CHALLENGE

Along with several other companies, Ralph Lauren Corp. has been accused of sourcing materials or products made using forced labor in Xinjiang, China. It is subject to an ongoing investigation by the Canadian Ombudsperson for Responsible Enterprise (CORE).

WHAT WE DID

After reviewing the company's disclosures and speaking with members of the management team on behalf of equity and bondholders in 2023, we found that Ralph Lauren has adopted strong policies to address human rights risks in the supply chain. Ralph Lauren states that it has a zero-tolerance policy for forced labor and complies with all applicable laws and regulations wherever it operates. It has invested in and uses fiber-origin tracing technology to assess

what region cotton may have been sourced from. In addition, Ralph Lauren reports that it undertakes third-party audits, has established traceability roadmaps for its supply chain, and conducts transparency mapping for all raw materials. It also participates in a variety of industry-led initiatives to find ways to tackle the risk of forced labor.

THE OUTCOME

We concluded that Ralph Lauren appears to be actively working towards remediation, and will continue to monitor the ongoing investigation by CORE. We plan further engagement with Ralph Lauren to build a better understanding of the scope and depth of the company's work.

⁴⁸ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Labor practices

NTAM CASE STUDY⁴⁹

Starbucks

Supporting Labor Rights

THE CHALLENGE

Starbucks received a shareholder proposal for the 2023 annual meeting of shareholders, urging the board of directors to commission and oversee an independent, third-party assessment of Starbucks' adherence to its stated commitment to workers' freedom of association and collective bargaining rights as contained in the International Labour Organization's Core Labor Standards. In the U.S., many workers allege that Starbucks has interfered with these rights.

WHAT WE DID

We voted to support the proposal, which received 52% shareholder support. Generally, we support proposals that request a report or an assessment of a company's stated commitments on a case-by-case basis, taking into consideration whether the scope of the assessment makes sense for the business,

related controversies, and the level of information that the company has previously disclosed to shareholders or may be otherwise publicly available. We also accepted an invitation by Starbucks to engage on the outcome in the post-season.

THE OUTCOME

Starbucks has commissioned two different audits into these issues. An assessment on workers' freedom of association and collective bargaining rights was made public in December 2023, recommending that Starbucks improve guidance on how it disciplines workers and measures compliance with collective bargaining rights. We will continue to monitor the issue and engage with Starbucks management.

⁴⁹ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Advocating gender inclusion

NTAM CASE STUDY⁵⁰

Power Assets Holdings

Strengthen Board Diversity

THE CHALLENGE

At NTAM, we believe the board should reflect the composition of the workforce, ensuring that a variety of views are represented in corporate decision-making. Power Assets Holdings' board has little gender diversity as there is only one female director.

WHAT WE DID

In 2023, we voted against the chair of the nomination committee, objecting to the lack of gender diversity on the board. We recommended that the company should promote gender inclusion at all levels.

THE OUTCOME

The company responded that it would work toward appointing more female directors to the board and would promote overall gender inclusion in the enterprise. NTAM will continue to monitor progress in this area.

⁵⁰ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

NTAM CASE STUDY⁵⁰

Sunny Optical Technology

Appointing Female Directors

THE CHALLENGE

We believe that an effective board should be comprised of directors with a mix of skills and experience, ensuring that it has the necessary tools to perform its oversight function effectively. In other words, a board should have diversity of backgrounds, experience, age, race, gender, ethnicity and culture. Sunny Optical Technology's board ran the risk of poor governance performance because all board members were male at the time of the 2022 annual general meeting.

WHAT WE DID

In 2022, we voted against the election of a member of the nomination committee due to the board's lack of gender diversity. We raised our concerns with the company, recommending that at least 20% of the directors should be female.

THE OUTCOME

The company appointed its first female director at the 2023 annual general meeting, also stating that it would add more female directors in coming years. We will continue to vote against the nomination committee member until the appropriate representation is achieved.

Reduce climate risk

EOS CASE STUDY⁵¹

Caterpillar

Requesting Better Climate-related Disclosures

THE CHALLENGE

Caterpillar engages in the manufacturing of heavy machinery, such as construction and mining equipment and diesel-electric locomotives. It is in the Climate Action 100+ universe of significant emitters. Historically, its alignment with climate-related disclosure standards and evidence of transition planning has been limited.

HOW EOS ENGAGED ON NTAM'S BEHALF

In 2021, through the Climate Action 100+ coalition, the company acknowledged EOS's request that it should improve its disclosure, strategy and goal setting relevant to the net-zero benchmark criteria, which included reporting aligned with the TCFD. At the time, the CEO stated that the company plans to report in accordance with TCFD guidance in 2023. During a 2022 Climate Action 100+ engagement with the CEO, EOS again raised the urgency of disclosure in accordance with the TCFD. EOS acknowledged the company's commitment

to publish its TCFD report in 2023 and asked the company to consider accelerating that timeline. In a February 2023 engagement with the company's newly appointed Chief Sustainability Officer, the company confirmed its intent to publish its first TCFD report in 2023. In June 2023, EOS participated in a Climate Action 100+ engagement with the CEO where he provided an overview on the climate progress the company was making, including recent changes to strengthen climate governance which is a key component of TCFD recommended disclosures.

THE OUTCOME

The Chief Sustainability Officer provided an overview of key disclosures including the company's inaugural TCFD report which EOS welcomed. EOS also appreciated the formation of a separate board committee focused on climate and an enhanced proxy director skill matrix including ESG-related experience. EOS continues to engage with Caterpillar on climate-related matters.

⁵¹ The case studies presented are intended to illustrate stewardship efforts undertaken by EOS at Federated Hermes on behalf of Northern Trust Asset Management. We appointed EOS to act as agent of our UCITS pooled funds in EMEA. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Reduce contamination from hazardous chemicals

EOS CASE STUDY⁵²

3M

Ending Manufacture of Non-Biodegradable Chemicals

THE CHALLENGE

3M manufactures industrial, safety, and consumer products. 3M's use of fluoropolymers, a subset of per- and polyfluoroalkyl substances (PFAS), has drawn scrutiny. These are chemicals that do not naturally break down, thus accumulating over time in water, soil and the human body.

HOW EOS ENGAGED ON NTAM'S BEHALF

EOS initially engaged with 3M on hazardous substance management in 2020. Throughout its engagement, EOS asked 3M to develop a timebound strategy to reduce and eventually eliminate the manufacture of fluoropolymers, including identification of more environmentally sustainable alternatives. In September 2022, EOS wrote to the company's CEO as one of 47 signatories representing \$8 trillion in assets under management/advice regarding the company's chemical production and disclosure practices. EOS asked the company to increase transparency on the type and volume of hazardous substances it produces, also reiterating its request for the company to cease production of PFAS.

THE OUTCOME

In December 2022, EOS welcomed 3M's announcement to exit PFAS manufacturing by the end of 2025. In a 2023 engagement, the company confirmed it will facilitate an orderly transition for customers in meeting its commitment, intending to fulfil current contractual obligations during the period to 2025. The company is continuing to develop new non-PFAS solutions for its customers and remains committed to ensuring that its products continue to be safe for their intended use. In this regard, 3M is working closely with suppliers and customers as part of the exit PFAS transition and in line with its stated commitment. EOS will continue to monitor progress on this matter.

⁵² The case studies presented are intended to illustrate stewardship efforts undertaken by EOS at Federated Hermes on behalf of Northern Trust Asset Management. We appointed EOS to act as agent of our UCITS pooled funds in EMEA. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Ensure good governance

EOS CASE STUDY⁵³

Air Liquide

Improving Lobbying Activities

THE CHALLENGE

Air Liquide supplies gases for large industrial and health businesses, falling under the Climate Action 100+ target universe. Its approach to lobbying has been flagged by non-governmental organizations as needing improvement.

HOW EOS ENGAGED ON NTAM'S BEHALF

EOS has been engaging Air Liquide on lobbying since 2018. In December 2021, Air Liquide published a new code of conduct and a first set of guiding principles for engagement with public stakeholders. However, this fell short of EOS's expectations due to the absence of a full global review of lobbying activities and of an explicit commitment to conduct all lobbying in line with the Paris Agreement goals. Ahead of the 2022 annual meeting, EOS co-signed another investor letter to the chair and CEO requesting an annual comprehensive review of all lobbying activities and the sharing of a newly launched global standard on responsible lobbying.

THE OUTCOME

In February 2023, Air Liquide published an updated version of its 'engagement with public stakeholders' which states that it will ask all its associations to explicitly align with the Paris Agreement's goals or contribute to net-zero pathways as outlined by the International Energy Agency. Air Liquide also committed to publishing an annual summary assessment of the trade associations where it is most active in Europe and the U.S., and a first review was published in March 2023. EOS will continue to monitor progress against this goal.

⁵³ The case studies presented are intended to illustrate stewardship efforts undertaken by EOS at Federated Hermes on behalf of Northern Trust Asset Management. We appointed EOS to act as agent of our UCITS pooled funds in EMEA. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

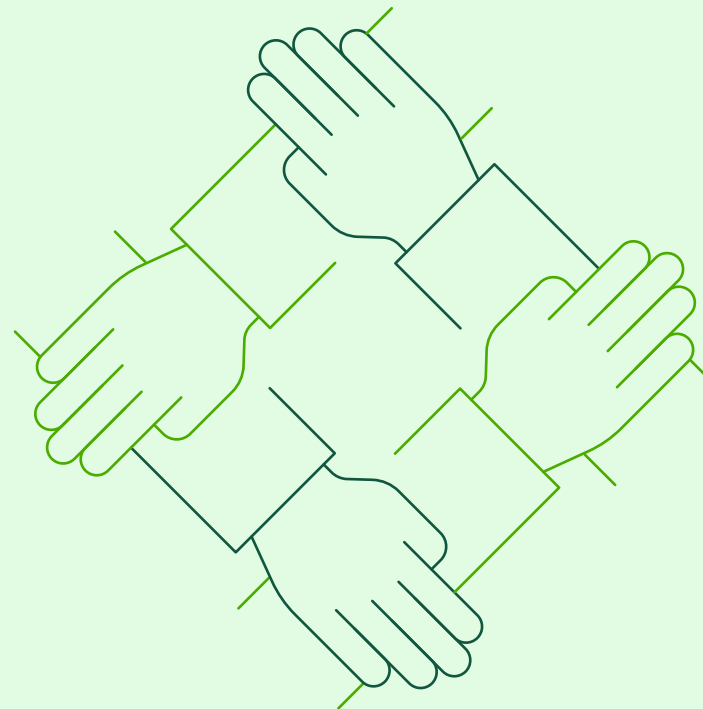
- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 [PRINCIPLE 1](#)
Purpose, Strategy and Culture
- 05 [PRINCIPLE 2](#)
Governance, Resources and Incentives
- 06 [PRINCIPLE 3](#)
Conflicts of Interest
- 07 [PRINCIPLE 4](#)
Promoting Well-Functioning Markets
- 08 [PRINCIPLE 5](#)
Review and Assurance
- 09 [PRINCIPLE 6](#)
Client and Beneficiary Needs
- 10 [PRINCIPLE 7](#)
Stewardship, Investment and ESG Integration
- 11 [PRINCIPLE 8](#)
Monitoring Managers and Service Providers
- 12 [PRINCIPLE 9](#)
Engagement
- 13 [PRINCIPLE 10](#)
Collaboration**
- 14 [PRINCIPLE 11](#)
Escalation
- 15 [PRINCIPLE 12](#)
Exercising Rights and Responsibilities
- 16 Appendices

13

PRINCIPLE 10

Collaboration

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



Leading Through Collaboration

When it comes to stewardship, active engagement with like-minded shareholders can be more likely to get results.

That's why we collaborate with a number of large investor groups, representing trillions of dollars in investable assets. Together, we can scale our voice and advocate for desired outcomes of our respective clients.

With the aim of maximizing our impact, we complement our direct engagements with collaborative and outsourced engagement activities. Collaborative engagements tend to entail partnerships of investors with similar long-term sustainability views. These engagements seek to leverage the weight of the groups' pooled assets to help

ensure that companies take notice of stewardship priorities.

Most collaborative initiatives aim to encourage consistent and comparable disclosure on material ESG factors. We believe this encourages adoption of best practices because disclosing ESG-related company policies and data tends to lead to better management of them. Through groups such as Climate Action 100+, we engage directly with companies to also encourage the improvement of ESG-related policies and best practices.

We collaborate with a number of large investor groups, representing trillions of dollars in investable assets. Together, we can scale our voice and advocate for desired outcomes of our respective clients.

⁵⁴ Climate Action 100+ membership information available [here](#). Last formal AUM calculation by Climate Action 100+ in July 2022.

⁵⁵ FAIRR membership information available [here](#).

Collaborative Engagements in 2023

Climate Action 100+

Members: 700+

Combined member investment assets: \$68 trillion⁵⁴

Goal: Enhance corporate strategies to meet climate change goals; encourage consistent and comparable disclosures in line with the TCFD reporting framework.

How NTAM contributed in 2023: We engaged with six companies. We led engagements with CEZ AS and National Grid, and acted as contributors to engagements with Valero Energy, Bayer AG, UltraTech Cement, and South32 Ltd.

Farm Animal Investment Risk and Return (FAIRR)⁵⁵

Members: 400+

Combined member investment assets: \$70 trillion

Goal: Raise awareness and encourage disclosure of the material ESG risks and opportunities caused by intensive animal production.

Continued >

Our Collaborations in Action

In 2023, the organizations we supported achieved tangible success.

Climate Action 100+ continued to support engagements on portfolio holdings' net zero commitments. Meanwhile, FAIRR campaigns encouraged companies to explore more sustainable proteins and improve working conditions for workers in the meatpacking industry. In the real estate sector, GRESB's drive to persuade more Asian firms to participate in its ESG benchmark resulted in a 39% engagement rate, a meaningful increase from 2022's 25% rate.

Climate Action 100+ progressed on company commitments to net zero, where companies offset their emissions through technology or other efforts.

⁵⁶ ISSB Investor Advisory Group membership information available [here](#).

⁵⁷ IIGCC membership information available [here](#).

Collaborative Engagements in 2023 continued

How NTAM contributed in 2023: We participated in four of FAIRR's campaigns by signing letters sent to a total of 19 companies. Our largest contribution was on the waste and pollution campaign, which involved 12 companies. We also contributed to the campaigns focused on working conditions, restaurant antibiotics, and animal pharmaceuticals.

International Sustainability Standards Board Investor Advisory Group⁵⁶

Members: 61

Member assets: \$52 trillion

Goal: Better disclosure of financially material ESG information to investors.

How NTAM contributed in 2023: We participated in the Investor Advisory Group's quarterly meetings and in dialogues on the 2023 IFRS Sustainability Symposium.

Institutional Investors Group on Climate Change (IIGCC)⁵⁷

Members: 400+

Combined member investment assets: \$65 trillion

Goal: Enable investors to drive progress toward net zero carbon emissions.

Continued >

Climate Action 100+: Fighting Climate Change

NTAM identifies climate risk — beyond the damage to the environment — as a systemic risk to financial markets.

[\(See Principle 4\)](#)

To mitigate environmental, societal and financial damage, governments will likely continue to mandate regulatory changes to reduce carbon emissions. This manifests as transition risk to companies with higher emissions than peers. Leading global policymakers and, increasingly, investors have emphasized the urgency of addressing climate risk.

We support the ongoing effort calling for the 170 companies with the highest greenhouse gas emissions to reduce their emissions to net zero by 2050.

NTAM is a founding member of Climate Action 100+, which brings together 700 investors representing \$68 trillion in assets. We support the ongoing effort calling for more than 170 companies with the highest greenhouse gas emissions to reduce their emissions to net zero by 2050. We request that the companies show their commitment by developing clear transition plans. The Climate Action 100+ Net Zero Company Benchmark, which tracks companies' progress on their net zero commitments, sets the framework for these engagements. We helped to develop the framework to evaluate companies' ambitions and actions in tackling climate change.

⁵⁸ GRESB membership information available [here](#).

⁵⁹ PRI Advance membership information available [here](#).

Collaborative Engagements in 2023 continued

How we contributed in 2023: After joining IIGCC's new Net Zero Investment Engagement Initiative (NEZI) in 2022, we participated in the 2023 baseline transition plan letter sent to 72 companies.

Global Real Estate Sustainability Benchmark (GRESB)⁵⁸

Members: ~150

Combined member investment assets: \$51 trillion

Goal: Improve disclosure of sustainability efforts of real estate portfolio companies.

How NTAM contributed in 2023: We collaboratively engaged with 18 companies in the Asia-Pacific region to encourage participation in the annual GRESB Real Estate Assessment.

PRI Advance⁵⁹

Members: 265

Combined member investment assets: \$35 trillion

Goal: To advance human rights and positive outcomes for people through investor stewardship.

Continued >

Collaborative Engagements in 2023

continued

How we contributed in 2023: NTAM signed up as an endorser in 2023; in dialogue for investor participation.

Ceres Valuing Water Finance Initiative⁶⁰

Members: 220

Combined member investment assets: \$60 trillion across the Ceres investor network.

Goal: Promotes the management of water as a financial risk.

How we contributed in 2023: We are in dialogue for investor participation. We attended working group meetings and engaged with the initiative community about water-related topics.

The Net Zero Company Benchmark has significantly aided investor engagements, allowing target companies and investors to compare progress in:

- Setting short-, medium- and long-term goals and creating strategies to reduce emissions.
- Aligning their business strategies and capital investments with climate change goals.
- Creating a clear set of climate policies supported by an effective governance framework, with clear reporting on progress.
- Positively engaging with policymakers to foster climate action.
- Providing reporting aligned with the TCFD recommendations.
- Ensuring that the transition to net zero emissions considers the impact on employees, communities and other stakeholders.

Based on the progress of our ongoing conversations with companies, we believe we will make the most progress toward climate goals through engagement and collaboration. While climate matters continue to occupy a significant proportion of the shareholder resolutions we must address, we expect that continued positive engagements will result in fewer resolutions going forward.

In 2023, NTAM led engagements with CEZ and National Grid in Europe. Additionally, we participated as collaborating investors on engagements with Ultra Tech Cement Ltd, Bayer AG, Valero, and South32 Ltd. Finally, we joined the working groups for Coal India, Dangote Cement and KEPCO as a collaborating investor.

⁶⁰ Ceres Valuing Water Finance Initiative membership information available [here](#).

CASE STUDY⁶¹

CEZ Group

Verifying Net Zero Targets

THE CHALLENGE

Czech utility CEZ Group has historically generated much of its electricity from coal, a significant contributor to greenhouse gases. Based on the Net Zero Company Benchmark, the company had not set targets that aligned with the Paris Agreement's goal of pursuing efforts to limit global temperature rises to 1.5°C.

WHAT WE DID

Since 2021, as part of Climate Action 100+ and as an owner of CEZ equities and bonds, we co-led the engagement to encourage CEZ to set targets and goals to achieve net zero emissions.

THE OUTCOME

The Science Based Targets initiative (SBTi) confirmed in 2022 that CEZ Group's 2030 targets aligned with the Paris Agreement's goals. Furthermore, in 2023 SBTi validated CEZ's overall net-zero, near-term and long-term science-based emission reduction targets as being aligned with a 1.5°C Paris Agreement goal. We applaud CEZ on reaching this key milestone, a positive outcome achieved through constructive dialogue over the years between CEZ and ourselves in collaboration with members of Climate Action 100+. We look forward to continuing the dialogue with CEZ on other climate priorities.

⁶¹ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

CASE STUDY⁶²

Bayer AG

Product Safety

THE CHALLENGE

Bayer's product reach is considerable, with estimated application to 13% of the world's arable land.⁶³ Recent merger and acquisition (M&A) activity has highlighted the ESG risks in its portfolio, centering on product safety and environmental impact. In NTAM's view, there was not sufficient disclosure surrounding the company's approach to risk management across product stewardship and environmental impact.

WHAT WE DID

We worked collaboratively with other investors to engage with Bayer. We encouraged Bayer to plan to reduce the environmental impact from its portfolio of crop protection products, and enhance disclosure on its approach to sustainability in M&A.

THE OUTCOME

We welcome Bayer's enhanced disclosure on product stewardship in crop protection and greater focus on environmental impact reduction targets. Sustainability considerations have become key drivers in M&A activities and we also commend the company for integrating these into its M&A due diligence. The constructive dialogue with Bayer shows once again that collaborative engagements with portfolio companies can lead to positive stewardship outcomes. In September 2023, Bayer published a [joint statement](#) on its website acknowledging the positive impact of our collaborative engagement.

⁶² The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

⁶³ For more details, please visit this [page](#).

FAIRR: Mitigating the Risks of Intensive Livestock Production

Animal agriculture contributes to climate change, land degradation and biodiversity loss that create health risks for animals and humans.

FAIRR aims to limit the risks of intensive livestock production and encourage the protein supply chain to capitalize on the opportunities of diversification and sustainable agricultural practices to continue fulfilling demand. FAIRR's campaigns encourage responsible use of antibiotics in animal agriculture, reduction and management of waste and pollution, better working conditions and increased production of sustainable proteins.

We support FAIRR's engagements and research as part of a group of over 400 investor members who collectively manage \$70 trillion. We support FAIRR-coordinated campaigns by signing letters urging companies to take action on key issues and participating in engagements. In 2023, we participated in three letter campaigns sent to 19 companies on animal pharmaceuticals,

working conditions and biodiversity issues related to waste and pollution.

The Working Conditions campaign has achieved notable successes in its third phase. 86% of companies (up from 43% in Phase 1) now report the total number of grievance cases received annually and 50% report on their paid sick leave policies. Phase 2 of the Animal Pharmaceuticals campaign also saw progress, with 43% of companies reporting revenue from antibiotics while 29% have now voluntarily removed labels for growth promotion from their medically important antibiotics worldwide. The Waste and Pollution campaign has been successful in holding discussions with 83% of target companies in its Phase 1. However, progress against the underlying objectives is less conclusive at this point in time.

The Working Conditions Campaign

86% of companies now report the total number of grievance cases received annually

50% report on their paid sick leave policies

GRESB: Clear, Concise and Consistent ESG Reporting

Access to accurate and comparable company ESG data remains the top challenge for ESG investors.

GRESB is dedicated to promoting the standardization of ESG data and assessments for real estate companies and real estate investment trusts (REITs) globally, particularly concerning greenhouse gas emissions, water and waste removal from landfills. Moreover, GRESB real estate benchmarks can enhance investors' capacity to evaluate real estate companies' ESG and net zero commitments against industry peers. We advocate for real estate companies to engage in GRESB assessments, firmly believing that transparency nurtures advances in performance.

In 2023, we joined forces with 17 other global investors, representing over \$8 trillion in assets under management, to encourage 46 real estate developers and REITs across 13 markets in Asia Pacific to join GRESB. While progress has been gradual, there has been consistent momentum: 45% of the 46 companies acknowledged the investor letter and 18 companies took a meeting to discuss their net zero commitment and plans. Four companies indicated their intention to join GRESB in 2024.

Illustrating how GRESB reporting motivates developers and landlords to strengthen their commitment to net zero performance, the Asia Pacific operations of real estate multinational Lendlease have signed up for GRESB assessments. They are on track to achieve their targets of net zero Scope 1 and 2 carbon emissions by 2025 and net zero emissions across Scopes 1–3 by 2040. With clear progress on its goals for scope 1 and 2 emissions, Lendlease further announced it will accelerate its ambitions with the launch of the Lendlease Scope 3 Emissions Protocol. Scope 3 emissions are indirect emissions that occur in an organization's value chain and often make up the majority of its carbon footprint. They are especially challenging for the real estate sector to address due to limited guidance on scope 3 reporting boundaries. Following the protocol's launch, Lendlease and GRESB are calling for others in the industry — including developers, builders and construction material manufacturers — to turn their attention to addressing scope 3 emissions, accelerating the shift to a low-emissions future.

Institutional Investors Group on Net Zero Engagement Initiative

The Institutional Investors Group on Climate Change (IIGCC) formally launched a new collaborative engagement initiative in 2023, the Net Zero Engagement Initiative, which seeks enhanced disclosure of climate transition plans.

It targets companies that are heavy users of fossil fuels, broadening the scope of investor collaborations to increase focus on the demand side.

NTAM co-signed letters to 72 companies requesting alignment with the IIGCC's Net Zero Investor Framework, including:

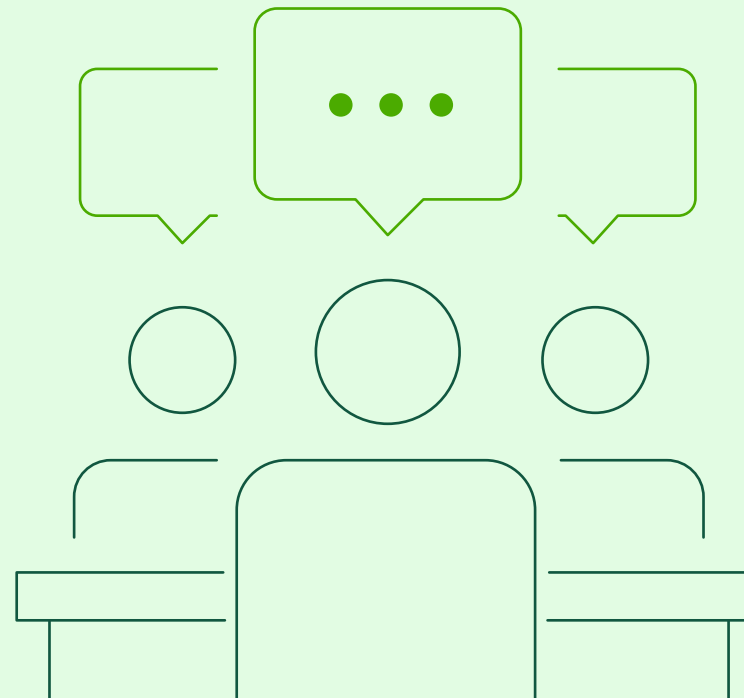
- **A comprehensive net zero commitment.**
- **Robust greenhouse gas emissions targets** over the short-, medium- and long-term.
- **Emissions tracking**, enabling investors to track companies' progress.
- **A credible strategy** on how companies will reach their emissions targets, including planned capital expenditures to support the strategy.

It targets companies that are heavy users of fossil fuels, broadening the scope of investor collaborations to increase focus on the demand side.

- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 [PRINCIPLE 1](#)
Purpose, Strategy and Culture
- 05 [PRINCIPLE 2](#)
Governance, Resources and Incentives
- 06 [PRINCIPLE 3](#)
Conflicts of Interest
- 07 [PRINCIPLE 4](#)
Promoting Well-Functioning Markets
- 08 [PRINCIPLE 5](#)
Review and Assurance
- 09 [PRINCIPLE 6](#)
Client and Beneficiary Needs
- 10 [PRINCIPLE 7](#)
Stewardship, Investment and ESG Integration
- 11 [PRINCIPLE 8](#)
Monitoring Managers and Service Providers
- 12 [PRINCIPLE 9](#)
Engagement
- 13 [PRINCIPLE 10](#)
Collaboration
- 14 [PRINCIPLE 11](#)
Escalation**
- 15 [PRINCIPLE 12](#)
Exercising Rights and Responsibilities
- 16 Appendices

14 PRINCIPLE 11 Escalation

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



Escalation

As we discussed in [Principle 9](#), when we initially contact companies with our concerns, we request dialogue with representatives of the board of directors. We prefer to continue that dialogue to resolve our concerns.

However, if a company fails to make sufficient progress during the time we request, we may escalate our approach by voting in support of a related shareholder resolution, voting against the re-election of certain directors or taking some other investment action. These investment actions may include reduction of holdings or potentially divestment within certain portfolios.

We generally escalate our engagements when companies fail to make adequate progress on objectives without sufficient rationale. For instance, if a company has

almost fully implemented a plan on an objective that may require some level of approval from a regulator, but regulatory approval is still pending, we may not find cause to escalate. In such instances, we would be more likely to monitor the progress of the regulator's actions and the company's efforts to seek resolution. However, in instances where the company makes little effort to progress toward the objectives, there are few impediments to action, and/or targets or goals adopted are insufficiently stretching, we are likely to proceed towards escalation.

We generally escalate our engagements when companies fail to make adequate progress on objectives without a sufficient rationale.

Milestones to Track Success

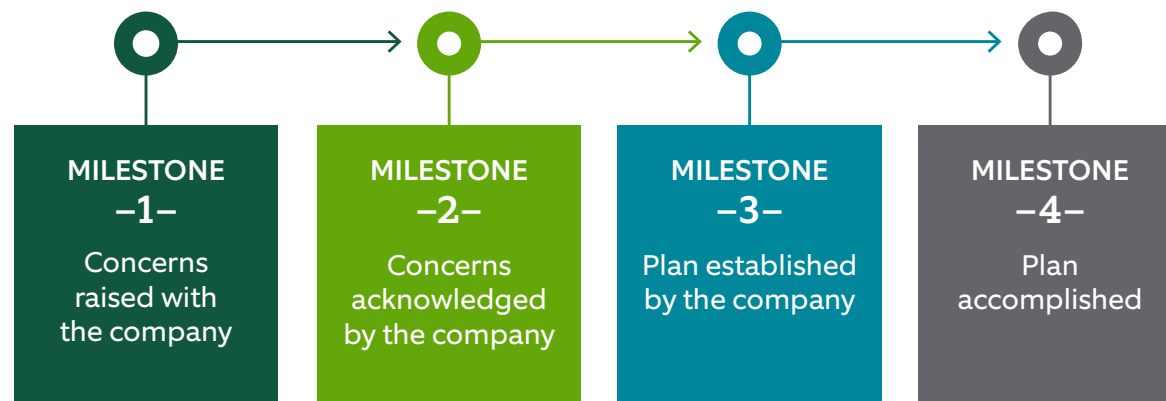
To track the progress of engagement campaigns, we use milestones.

Every milestone represents an accomplishment and a step towards reaching a defined SMART (specific, measurable, attainable, realistic, timely) objective. The chart below explains the meaning of each milestone.

We initiate engagement campaigns with letters to companies we have targeted for engagement and a request for dialogue with representatives of the board of directors.

In those letters, we articulate our concerns, the reasons for those concerns, and our assessment of the company’s performance. We also explain how we will measure the company’s progress to resolve our concerns, and the time within which we would like the company to make sufficient progress. Our engagement partner EOS, uses a similar set of engagement milestones.

Measuring Progress in Engagement Campaigns

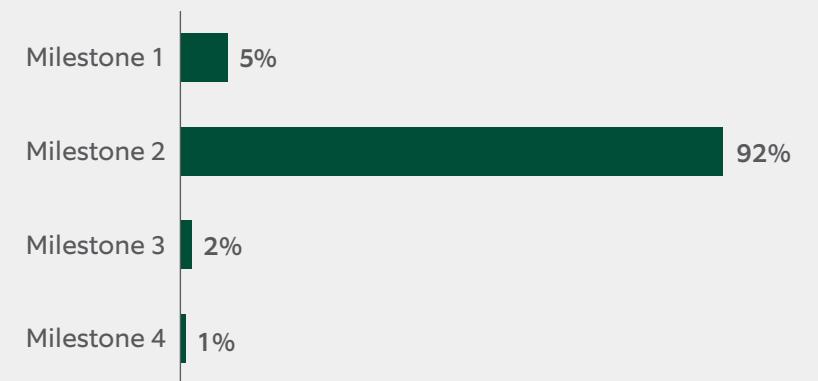


Source: NTAM.

NTAM Engagement Tracking

To achieve greater integration into our investment processes, the stewardship team has established a structured system for categorizing and tracking engagement milestone activity at a thematic level, including alignment to the UN Sustainable Development Goals. This process uses a customized FactSet application that enables the management of engagement records and research notes. The engagement records and research notes, in turn, feed into a cloud-based database supporting structured and semi-structured data sets that can be used by different teams throughout the investment process.

2023 NTAM Direct Engagements by Milestone



Source: NTAM.

ESCALATION CASE STUDY⁶⁴

Shell

Setting Scope 3 Emissions Targets

THE CHALLENGE

Shareholders have requested that Shell’s board of directors include its Scope 3 emissions covering use of its energy products within its existing 2030 greenhouse gas emissions reduction targets. These targets are in line with the goals of the Paris Agreement.

WHAT WE DID

We engaged with Shell in 2023, encouraging the company to provide more evidence that its energy transition strategy is aligned with the Paris Agreement’s 1.5°C warming pathway. At the company’s annual general meeting, we voted in favor of the “Follow This” shareholder proposal (against management’s recommendation), requesting that the 2030 Scope 3 reduction targets be aligned with the Paris Agreement. In our view, additional disclosure on how Shell’s oil and gas production will develop by 2030 would help us understand the company’s transition to a low carbon economy.

THE OUTCOME

The shareholder proposal failed. However, after 20% of shareholders supported the proposal — a significant number — Shell has committed to explaining what actions it intends to take. It will also consult shareholders in order to understand why they voted for the proposal and will report back within six months of the annual general meeting.

⁶⁴ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

ESCALATION CASE STUDY⁶⁴

Unilever

Voting Against CEO Remuneration

THE CHALLENGE

In 2023, Unilever’s then incoming CEO’s salary was set higher than his predecessor’s and was significantly higher than his prior salary at Royal FrieslandCampina, and UK market peers. The company had not provided compelling justification for this remuneration package in advance of the annual general meeting.

WHAT WE DID

We engaged with Unilever in the run-up to the annual general meeting to raise our concerns and provide feedback regarding the new remuneration package.

THE OUTCOME

Unilever proceeded to present the remuneration package unchanged at the meeting. Given that our concerns were not addressed, we voted against the remuneration report. The remuneration report was rejected, receiving support from only 42.0% of shareholders.

Differences Among Fund Types, Geography and Asset Classes

Fund structures may influence varied methods and levels of engagement and escalation. With finite resources, we prioritize our direct engagements and escalation to focus on companies with large market capitalizations where we have a significant holding.

Therefore, NTAM is less likely to pursue engagement campaigns, or escalate engagements, in companies held by our small capitalization funds. For EOS, market capitalization plays a less important role in engagement decisions, as EOS has the capacity to cover a wider range of companies.

Geography may also impact how we approach engagement escalation. In countries where we have not previously engaged, we may be less familiar with how to address certain issues. In these instances, we may limit our engagement to only informing companies of our views and why these issues are important. If we want to push for gender inclusion in certain countries, we acknowledge that cultural resistance means it will take more time and resources to reach our goals. That may affect our decision on whether to escalate. On occasions we do so, however. For instance, in 2023 we opposed the re-election of the chairman at the Japanese automobile manufacturer Toyota Motor Corporation, as Toyota did not meet our expectation that all companies in Japan have at least 20% gender diversity on their boards.

As for asset classes, we recognize that fixed income and equity investors sometimes have differing investment interests. However, in most cases we believe that ESG issues we are seeking to influence are asset-class neutral. In other words, in most instances we believe that companies taking positive action on important ESG issues will benefit credit and equity investors over the long term. So we are just as likely to pursue engagement regardless of which asset class we own.

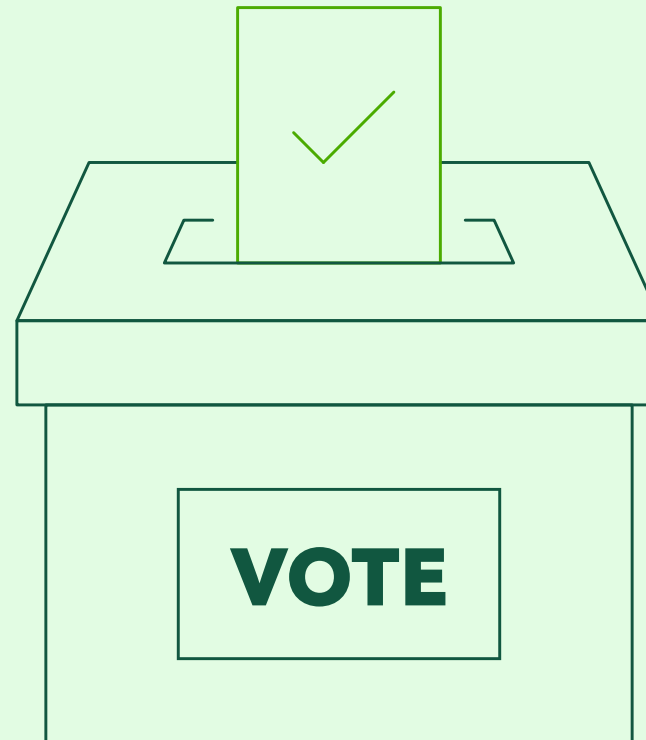
- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 PRINCIPLE 1
Purpose, Strategy and Culture
- 05 PRINCIPLE 2
Governance, Resources and Incentives
- 06 PRINCIPLE 3
Conflicts of Interest
- 07 PRINCIPLE 4
Promoting Well-Functioning Markets
- 08 PRINCIPLE 5
Review and Assurance
- 09 PRINCIPLE 6
Client and Beneficiary Needs
- 10 PRINCIPLE 7
Stewardship, Investment and ESG Integration
- 11 PRINCIPLE 8
Monitoring Managers and Service Providers
- 12 PRINCIPLE 9
Engagement
- 13 PRINCIPLE 10
Collaboration
- 14 PRINCIPLE 11
Escalation
- 15 PRINCIPLE 12
Exercising Rights and Responsibilities**
- 16 Appendices

15

PRINCIPLE 12

Exercising Rights and Responsibilities

Signatories actively exercise their rights and responsibilities.



Integrating Engagement and Proxy Voting

We believe it is our duty to regularly engage with companies in our portfolios, and our experience shows that engagement and proxy voting exert the most influence when we apply them in tandem.

We use proactive dialogue with companies, reinforced by our voting power, to encourage them to adopt sustainable business practices.

In 2023, we voted in favor of shareholder resolutions when companies had not progressed sufficiently on issues we deem of highest priority, particularly following engagement. While supporting shareholder resolutions clearly communicates our views to company leaders, many resolutions are non-binding so therefore hold little sway with management. We have found that executives are more likely to take our concerns seriously when we vote against directors who lead

board committees, such as those responsible for ESG risks or compensation. In 2023, we voted against directors when companies did not acknowledge our concerns or did little to address them. In summary, we:

- Voted against management 27,672 times (17% of all resolutions,⁶⁵ down from 18% in 2022). See [Appendix 1](#) for more details.
- Supported 69% of environmental shareholder resolutions based on ShareAction's Voting Matters 2023 report
- Voted against board candidates 21% of the time.

⁶⁵ Aggregate votes represent the votes cast by NTAM in line with our custom set of guidelines — the Northern Trust [proxy voting policies and procedures](#) — and alternative voting guidelines applied to select funds. In cases of different votes submitted for an individual agenda item, votes cast are discretely counted by vote cast (for, against, etc.) per proposal. This may result in voting totals exceeding the number of votable items. Totals have been normalized to ensure percentages do not sum to greater than 100%.

Supported



69% of environmental shareholder resolutions

based on ShareAction's Voting Matters 2023 report

Voted against board candidates



21% of the time

Voted against management in 2023



27,672 times

17% of all resolutions

Compared to

Voted against management in 2022



26,020 times

18% of all resolutions

Our Approach to Proxy Voting

As a major passive asset manager representing permanent capital in more than 10,000 companies globally, voting at shareholder meetings helps advance stewardship goals on behalf of our clients.

Academic research shows that corporate management monitors how asset managers cast their votes.⁶⁶ A 2023 study found, companies with high dissent voting related to board diversity, tenure, and busyness improve their board composition in the following year.⁶⁷ This research also shows that management is willing to negotiate on shareholder resolutions that have the backing of institutional investors. See [Appendix 2](#) for a list of how we voted on shareholder resolutions in 2022.

We have [written proxy voting](#) policies, procedures and guidelines to support a thoughtful approach to proxy voting. Further, we generally encourage reporting that enables shareholders to evaluate the impact of ESG policies and practices on a company's financial performance, provided the reporting is not unduly costly or burdensome and does not place the company at a competitive disadvantage. Below are some examples of how we voted on key issues in 2023.

See [Appendix 2](#) for a list of how we voted on shareholder resolutions in 2023.



⁶⁶ Bauer, Rob et al: "Who Withdraws Shareholder Proposals and Does It Matter? An Analysis of Sponsor Identity and Pay Practices." February 5, 2015. Available at <https://dx.doi.org/10.2139/ssrn.1885392>.

⁶⁷ Michaely, Roni, et al: "ECGI Working Paper Series in Finance: Voting Rationales, Working Paper No 928/2023." July 29, 2023. Available at <http://dx.doi.org/10.2139/ssrn.4521854>.

Inclusion

From access to opportunities to talent development to equitable compensation strategies, a company's policies can accelerate, or stall, its progress toward a more diverse, equitable and inclusive workforce. This is reflected in hiring practices, promoting decisions, and compensation practices. We recognize that unique perspectives and attributes, if allowed to flourish, make our collective society stronger.

Companies with executive teams ranking in the top quartile for gender diversity are 25% more likely to have above-average profitability than those in the fourth quartile, according to a 2020 study.⁶⁸ Further, according to another study, the companies with the most ethnically and culturally inclusive boards worldwide are 43% more likely to have higher profits.⁶⁹

⁶⁸ McKinsey & Company. "Diversity wins: How inclusion matters." May 2020. Full report available [here](#).

⁶⁹ McKinsey & Company. "Delivering through Diversity." January 2018. Full report available [here](#).

⁷⁰ Of the 475 directors opposed for lack of ethnic and racial inclusion, 162 were also opposed for lack of gender inclusion concerns, indicating that 167 U.S. companies lacked sufficient inclusion attributes overall. These numbers do not include any votes against directors for gender inclusion concerns in South Korea.

⁷¹ 2023 U.S. Spencer Stuart Board Index: <https://www.spencerstuart.com/research-and-insight/us-board-index>.

⁷² Eliezer M. Fich and Anil Shivdasani. "Are Busy Boards Effective Monitors?" March 9, 2006. Available at: <https://doi.org/10.1111/j.1540-6261.2006.00852.x>.

Reflecting our beliefs about the need to foster inclusion, in 2023 we withheld support from 3,256 individual director nominees related to a lack of gender inclusion on their boards, and 475 individual director nominees related to a lack of racial and ethnic inclusion on their boards in the U.S.⁷⁰ It's our policy to withhold support from the most senior non-diverse director of a board's nominations committee when we determine that a board's level of inclusion does not reflect the gender, racial and ethnic composition of society. We identified companies that lack diversity in terms of board composition through a third-party data provider.

Broadly speaking, inclusion within boards of directors has expanded. According to the 2023, U.S. Spencer Stuart Board Index, last year 67% of new directors were women, underrepresented minorities, or LGBTQ+ compared to just 38% in 2013.⁷¹

Overboarding

There are benefits to having directors with outside commitments on the board, including but not limited to the insights and related industry/peer experience (e.g., information on operations, strategy, and finance) they can bring to the discussion table. They may also have deep professional networks, which are valuable for recruiting and evaluating executive talent, and working with regulators. However, there is a balance to strike. The risk with distracted directors, with too many commitments, is that they can neglect their duty to provide oversight. Fisch and Shivdasani (2006)⁷² found that companies with distracted boards have lower price-to-book ratios and lower returns on assets. They also found that companies with distracted boards exhibit less willingness to fire an underperforming CEO.

In 2016, the *Wall Street Journal* cited research findings, which concluded that companies with board members focused solely on a single board position had grown their earnings by an average of 14% over

⁷³ *The Wall Street Journal*. "Companies Do Better When Corporate Board Members Aren't Overcommitted," April 14, 2016. Available [here](#).

⁷⁴ NYSE: Corporate Governance Guide, December 2014. Available [here](#).

the past five years. This number compared to 11.2% at companies where directors held more than one board seat.⁷³

Similarly, the NYSE Corporate Governance Guide finds in its research that the presence of over-committed directors may negatively affect performance and monitoring.⁷⁴

While NTAM recognizes the benefits outside board experience can bring — particularly in ensuring a range of perspective and knowledge sharing that can result from such exposures — we also recognize that board service has become increasingly demanding and time-consuming, and many directors also hold full-time jobs. For this reason, NTAM generally votes against a director nominee if it is a CEO who sits on more than two public boards/one outside board, or a non-CEO who sits on more than four public boards (their board and three outside boards). In 2023, we opposed 720 directors (1.51%) for being on too many boards.

Shareholder Proposals

In 2023, we began to see a growing volume of more prescriptive shareholder proposals on a variety of topics, including climate. Historically, NTAM has generally supported climate-related proposals, unless the request asks for an action that goes beyond reporting, based on the principle that transparency and disclosure help investors to assess the risks and opportunities associated with an investment, and promote fairness and accountability (especially in an emerging risk area such as climate risk).

Increasingly, however, we are moving towards a case-by-case approach as we find a growing volume of proposals misaligned with the disclosure needs we feel are important in the market. For example, at The Travelers Companies, a U.S. property and casualty insurance business, shareholders filed a resolution in 2023 requesting the company “...adopt and disclose a policy for the timebound phase out of Travelers’ underwriting risks associated with new fossil fuel exploration and development project, aligned with the IPCC’s recommendation to limit global temperature rise to 1.5° C.” NTAM voted against this resolution. We believe that the management group and elected directors are best positioned to make corporate decisions relating to underwriting risks, noting the company has already established exclusion policies related to thermal coal and oil sands. The vote was rejected by the vast majority of investors, receiving support of only 8.8%.

CASE STUDY⁷⁵

Seeking to Improve Corporate Governance in Hong Kong and India

In March 2023, we sent individual post-season letters to 130 companies in our portfolios, listed on equity markets in India and Hong Kong, where we had voted against management proposals at their 2022 shareholder meetings. Through this letter, we informed those companies of our voting decisions and rationale, and also asked them to improve their corporate governance structures in a range of ways: enhance gender diversity on the board, reduce external board commitments of over-boarded directors, increase board independence, and align executive compensation with the shareholders’ long-term economic interests.

⁷⁵ The case studies presented are intended to illustrate Stewardship efforts undertaken by Northern Trust Asset Management. Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders — often collaboratively — in an effort to maximize overall long-term value. They do not necessarily represent experiences of other clients, nor do they indicate future performance. Individual results may vary, and not all engagement efforts are successful in driving positive change in portfolio companies.

Our Current Practice

When voting proxies, we aim to ensure that they are voted in the best interests of clients/beneficiaries and the value of their investments.

Absent special circumstances of the types described in the related policies and procedures, we will generally vote in accordance with our proxy voting policies, procedures and guidelines.

Proxy Committee

Our Proxy Committee — which comprises senior investment and compliance officers — has responsibility for the content, interpretation and application of our proxy guidelines.

Approval of proxy votes or changes to proxy votes, policies, procedures or guidelines may be made by majority vote of those present (in person or by proxy) at a Proxy Committee meeting

Starting in 2024, we will be introducing regional working groups to enhance support for day-to-day decisions and review of proxy voting issues.

Proxy Voting Service

We have delegated responsibility for reviewing proxy proposals and making voting recommendations to the Proxy Committee to ISS.

For proxy proposals that are to be reviewed on a case-by-case basis, we provide supplementary instructions to ISS. We have instructed our proxy voting service not to exercise discretion in making voting recommendations. Instead, it should seek guidance whenever it encounters situations that the guidelines either do not follow or are unclear. If ISS does not provide recommendations with respect to proxy proposals for securities over which NTAM or its affiliates have voting discretion, the relevant NTAM proxy analyst is responsible for reviewing the proxy proposal and making a voting recommendation.

The Proxy Committee reviews the proxy voting service annually, assessing matters such as: capacity and competency, staffing and personnel, robust policies and procedures, and the ability to identify and address any real or potential conflicts of interests.

Application of Proxy Guidelines

We apply our proxy guidelines flexibly, in accordance with the best outcomes for our clients.

The Proxy Committee may vote proxies against the recommendations of the proxy voting service, or one of our investment analysts if the committee thinks it is in the best interests of our clients or beneficiaries. The committee will document the rationale for any proxy voted contrary to recommendations.

NTAM has adopted a custom set of guidelines — the Northern Trust proxy voting policies, procedures, and guidelines — for the voting of proxies on behalf of all the funds, except for the Global Sustainability Index Fund and the U.S. Quality ESG Fund, and certain ESG-focused FlexShares ETFs. In these cases, the Proxy Committee has adopted the ISS U.S. socially responsible investing proxy voting guidelines for the voting of U.S. proxies, and the ISS international SRI proxy voting guidelines for voting of international proxies.

With the exception of special circumstances, we generally vote in accordance with the guidelines. In situations where applying the guidelines would be inappropriate for particular proxy issues of non-U.S. companies due to local market standards, customs and best practices, we instruct our proxy voting service to make a recommendation based on the relevant global guidelines. Examples of such issues include “poison pill” defenses, which can be approved by a company’s board of directors without shareholder approval in a number of countries, and definitions of director independence, which vary significantly from country to country.

Proxy Voting Choice

We recognize that stewardship practice is continually evolving, especially in the fields of engagement and proxy voting.

In relation to the 2021 recommendations from the Taskforce on Pension Scheme Voting Implementation for trustees to develop their own voting policies and set an “expression of wish” for their asset managers regarding their voting preferences in pooled funds, we note new services in the market are continuing to surface.

In 2023, NTAM commenced a workstream to give clients in select pooled vehicles the option of choosing from a menu of guidelines to align proxy voting to their preferred outcomes. More details about the rollout of this “Proxy Voting Choice” service will be released in 2024. Clients who are eligible will be notified as soon as it is feasible to move forward. Below are some highlights relating to the new service:

- **Proxy Voting Choice** allows investors to engage more directly in proxy voting, on a pro-rata basis (i.e., proportionate to their holdings) that aligns with their investment goals and values.
- **Investors who participate in this program** can choose from a menu of pre-selected voting guidelines, with their voting preference to be exercised proportionate to their holdings (when there is a proxy vote for a holding in an eligible fund).

- **Clients are increasingly interested in having their voices heard** in relation to corporate governance and stewardship. We believe those investing in our collective investment trusts in particular want to choose how to cast their proxy votes.
- **Through the implementation of a well-vetted menu of voting choices**, we believe it is possible to balance the views of a broad client base. This can be done while also addressing increased investor demand and a rapidly changing regulatory and legislative environment that may impact certain clients’ abilities or needs for greater optionality.
- **We understand that investor opinions vary greatly** — and we’re proud to provide investors with the ability to seek to align their votes with their unique goals. By offering a range of investment options and proxy voting choice, we believe we can deepen client relationships and empower shareholders in pooled vehicles to participate more directly in corporate governance decisions.

Proxy Voting and Securities Lending

We maintain proxy voting discretion for various accounts that participate in securities lending programs administered by NTAM or a third party.

However, it is important to note when a security is on loan that means the title of the loaned security passes to the borrower. If a security is on loan as of a proxy record date, then we cannot vote the shares. That said, for accounts where NTAM has investment discretion, we reserve the right to instruct the lending agent to terminate loans. We seek to do so in situations where the matter up for vote is material to the investment and the benefits of voting the security significantly outweigh the costs of terminating the loan.

Unvoted Meetings

We typically aim to vote all securities in which we can legally participate.

In 2023, of the 16,264 annual shareholder meetings that included voting matters, we voted at 16,010, or 98% of them, with less than 2% unvoted. Our policies and procedures detail reasons why we might not vote in an annual meeting despite having eligible shares.

The most common reasons are:

- **Global sanctions** prevent us from taking action.
- **Securities recall** where the costs outweigh the benefits. (This impacts shares on loan in lending accounts.)
- **Share blocking** where the costs outweigh the benefits. (The impact can be at market or ballot level.)
- **Meetings require a physical presence**, where the costs outweigh the benefits.
- **Meetings require additional actions** such as completing legalizations/apostilles from the consulate/embassy that take time to complete against already short deadlines. We vote on a best-efforts basis.

- **The company has not provided sufficient disclosure**, or we do not have sufficient coverage, to make an informed decision, and it is better to abstain or not participate.
- **Technical issues** impede successful participation.

Additionally, there were 18 meetings where we were prevented from voting due to Russian economic sanctions. Further, 1,971 ballots across 152 meetings were not acted upon due to share blocking.

Website Content

Our website provides our voting records through these links:

[EMEA funds voting disclosure web page](#)

[U.S. funds voting disclosure web page](#)

[Stewardship website](#)

Information regarding how funds voted proxies, if any, relating to portfolio securities for the most recent 12-month period ended June 30 is available, upon request, by contacting us or by visiting the [funds' website](#) or the Securities and Exchange Commission's website at [sec.gov](#).

Watchlists and Alerts

We use watchlists and alerts for key meetings on ESG-related topics such as climate, human capital and compensation.

We both receive and produce weekly reports for the Proxy Committee on matters in which we are taking discretionary action. On a daily basis, we monitor matters that may be affected by global sanctions. Upcoming meetings relating to companies whose shares are on loan are reviewed several times per week to determine if recall will be necessary (refer to section on share recall and securities lending). Finally, on a weekly basis, we review the voting service/proxy advisors' implementation of our policy toward conflicts of interest, seeking to ensure that our guidelines are being applied fairly and objectively.

Amendments in Indentures or Contracts for Fixed Income

We take a case-by-case approach to proposals considering or seeking amendments to terms and conditions in indentures or contracts.

Our goal is not to try and run our portfolio companies' businesses, but at the same time we recognize we have a duty of care over our clients' investments. In considering amendments, we look to understand both whether a company has reasonable controls in place and the overall quality of the company's governance systems and processes (taking into account recent controversies that might call into question the integrity of the management team). Generally, we expect high yield investee companies to be following standard market practices; and in the case of specialized industries we also look to see how those practices align with industry norms. We do not wish to stand in the way of reasonably prudent business practices and will support only those amendments that we believe will deliver results that are mutually beneficial for both the company and its investors.

Our goal is not to try and run our portfolio companies' businesses, but at the same time we recognize we have a duty of care over our clients' investments.

- 01 Foreword
- 02 A Year of Stewardship
- 03 NTAM Commitment to Sustainability
- 04 [PRINCIPLE 1](#)
Purpose, Strategy and Culture
- 05 [PRINCIPLE 2](#)
Governance, Resources and Incentives
- 06 [PRINCIPLE 3](#)
Conflicts of Interest
- 07 [PRINCIPLE 4](#)
Promoting Well-Functioning Markets
- 08 [PRINCIPLE 5](#)
Review and Assurance
- 09 [PRINCIPLE 6](#)
Client and Beneficiary Needs
- 10 [PRINCIPLE 7](#)
Stewardship, Investment and ESG Integration
- 11 [PRINCIPLE 8](#)
Monitoring Managers and Service Providers
- 12 [PRINCIPLE 9](#)
Engagement
- 13 [PRINCIPLE 10](#)
Collaboration
- 14 [PRINCIPLE 11](#)
Escalation
- 15 [PRINCIPLE 12](#)
Exercising Rights and Responsibilities

16 Appendices

16 Appendices

APPENDIX 1

Votes Against Management by Topic ▶

APPENDIX 2

Votes on Shareholder Proposals ▶

APPENDIX 3

Northern Trust Asset Management Engagements by Company ▶

APPENDIX 4

Participation in Organizations ▶

APPENDIX 5

Mapping With the New Zealand Stewardship Code ▶

APPENDIX 1

Votes Against Management by Topic (%)

	U.S.*	Developed markets ex-U.S.**	Emerging markets***
Management Proposals	% VAM	% VAM	% VAM
Auditors			
Auditor ratification, fix remuneration of auditors	1%	0%	2%
Compensation			
Management say on pay	3%	1%	41%
Equity-based	31%	3%	49%
Advisory vote on say on pay frequency	11%	0%	0%
Other	35%	3%	14%
Director-related			
Uncontested director elections	11%	10%	24%
Contested director elections	15%	31%	12%
Other	0%	4%	12%
Strategic Transactions			
Corporate transactions	31%	3%	25%
Mergers and acquisitions	2%	0%	58%
Related-party transactions	x	3%	13%
Capitalization			
Capital issuance/capital increase	21%	11%	34%
Capital structure related	6%	5%	3%
Debt related	x	0%	6%
Governance			
Adjourn meetings	17%	x	100%
Reduce supermajority vote requirement	0%	x	x
Provide proxy access right	0%	x	x
Other	11%	5%	24%
Environment			
Management climate-related proposals	x	0%	x
Total	10%	7%	18%

	U.S.*	Developed markets ex-U.S.**	Emerging markets***
Shareholder Proposals	% VAM	% VAM	% VAM
Environment			
Adopt or report on GHG emissions and emissions targets	53%	33%	x
Report on climate change	82%	55%	0%
Other environmental	50%	5%	x
Report on environmental impact or policies	100%	x	x
Recycling	78%	x	x
Renewable energy and energy efficiency	x	0%	x
Social			
Human capital management and EEO	58%	100%	x
Human rights and weapons related	86%	100%	x
Political campaign and lobbying and charitable contributions	89%	x	x
Product safety and supply chain management	87%	0%	x
Mandatory arbitration on employment related claims	x	x	x
Workplace sexual harassment	100%	x	x
Racial equity and/or civil rights audit	100%	x	x
Cyber security and data privacy	67%	x	x
Other social	31%	0%	25%
Governance			
Adopt proxy access right	x	x	x
Amend proxy access right	50%	x	x
Provide or amend right to call special meeting	30%	x	x
Provide or amend right to written consent	0%	x	x
Eliminate dual class	100%	x	x
Reduce supermajority voting standard	78%	x	x
Other governance	27%	7%	8%
Total	51%	15%	13%

Uncontested Director Elections items combines 5 management resolutions and 2 shareholder resolutions. Contested Director Election item combines 3 management resolutions and 6 shareholder resolutions.

* Combines all votes with U.S. companies. ** Represents votes on the Northern Funds International Equity Index Fund. *** Represents votes on the Northern Funds Emerging Markets Equity Index Fund. x = no resolutions on these topics.

Source: Northern Trust Asset Management.

APPENDIX 2

Votes on Shareholder Proposals

ENVIRONMENTAL — CLIMATE

Company	Country	Type of shareholder proposal	Vote
Alphabet Inc.	U.S.	Report on Framework to Assess Company Lobbying Alignment with Climate Goals	For
Amazon.com, Inc.	U.S.	Report on Climate Lobbying	For
Amazon.com, Inc.	U.S.	Report on Climate Risk in Retirement Plan Options	Against
Amazon.com, Inc.	U.S.	Report on Impact of Climate Change Strategy Consistent with Just Transition Guidelines	Against
Ameren Corporation	U.S.	Disclose GHG Emissions Reductions Targets	For
Bank of America Corporation	U.S.	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	Against
Bank of America Corporation	U.S.	Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting	For
Bank of America Corporation	U.S.	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	For
Bank of Montreal	Canada	SP 1: Advisory Vote on Environmental Policies	Against
Bank of Montreal	Canada	SP 2: Continue to Invest in and Finance the Canadian Oil and Gas Sector	Against
Berkshire Hathaway Inc.	U.S.	Report If and How Company Will Measure, Disclose and Reduce GHG Emissions	For
Berkshire Hathaway Inc.	U.S.	Report on Audit Committee's Oversight on Climate Risks and Disclosures	For
Berkshire Hathaway Inc.	U.S.	Report on Physical and Transitional Climate-Related Risks and Opportunities	For
BlackRock, Inc.	U.S.	Report on Ability to Engineer Decarbonization in the Real Economy	For
Bloomin' Brands, Inc.	U.S.	Adopt Near and Long-Term Science-Based GHG Emissions Reduction Targets	For
BorgWarner Inc.	U.S.	Report on Just Transition	For
BP Plc	United Kingdom	Approve Shareholder Resolution on Climate Change Targets	Against
Builders FirstSource, Inc.	U.S.	Adopt Short, Medium, and Long-Term GHG Emissions Reduction Targets	Against
California Water Service Group	U.S.	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Against

Company	Country	Type of shareholder proposal	Vote
Campbell Soup Company	U.S.	Report on Climate Risk in Retirement Plan Options	For
Canadian Imperial Bank of Commerce	Canada	SP 2: Advisory Vote on Environmental Policies	For
Canadian Imperial Bank of Commerce	Canada	SP 3: Invest in and Finance the Canadian Oil and Gas Sector	Against
Casey's General Stores, Inc.	U.S.	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	For
Caterpillar Inc.	U.S.	Report on Climate Lobbying	For
CenterPoint Energy, Inc.	U.S.	Disclose Scope 3 Emissions and Setting Scope 3 Emission Targets	For
Cheniere Energy, Inc.	U.S.	Report on Stranded Carbon Asset Risk	For
Chevron Corporation	U.S.	Adopt Medium-Term Scope 3 GHG Reduction Target	Against
Chevron Corporation	U.S.	Recalculate GHG Emissions Baseline to Exclude Emissions from Material Divestitures	For
Chevron Corporation	U.S.	Report on Social Impact From Plant Closure or Energy Transition	For
Chevron Corporation	U.S.	Rescind Scope 3 GHG Reduction Proposal	Against
Chubb Limited	Switzerland	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For
Chubu Electric Power Co., Inc.	Japan	Amend Articles to Require Disclosure of Capital Allocation Policy Aligned with a Net Zero by 2050 Pathway	For
Cintas Corporation	U.S.	Adopt Near and Long-Term Science-Based GHG Emissions Reduction Targets Aligned with Paris Agreement Goal	Against
Citigroup Inc.	U.S.	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	Against
CNX Resources Corporation	U.S.	Report on Climate Lobbying	For
Comcast Corporation	U.S.	Report on Climate Risk in Retirement Plan Options	For
Comcast Corporation	U.S.	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For
Constellation Brands, Inc.	U.S.	Disclose GHG Emissions Reductions Targets	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

ENVIRONMENTAL — CLIMATE (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
CoStar Group, Inc.	U.S.	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Against
Coterra Energy Inc.	U.S.	Report on Climate Lobbying	For
Coterra Energy Inc.	U.S.	Report on Reliability of Methane Emission Disclosures	For
Danske Bank A/S	Denmark	Climate Action Plan: Asset Management Policy	Against
Danske Bank A/S	Denmark	Climate Action Plan: Direct lending	Against
Danske Bank A/S	Denmark	Climate Action Plan: Existing Investments	Against
Darden Restaurants, Inc.	U.S.	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Abstain
Dollarama Inc.	Canada	SP 3: Adopt Net Zero Targets in Alignment with the Paris Agreement	Against
Duke Energy Corporation	U.S.	Create a Committee to Evaluate Decarbonization Risk	Against
Electric Power Development Co., Ltd.	Japan	Amend Articles to Disclose Business Plan through 2050 Aligned with Goals of Paris Agreement	For
Electric Power Development Co., Ltd.	Japan	Amend Articles to Disclose How Executive Compensation Policy Contributes to Achievement of Greenhouse Gas Emission Reduction Target	For
Enbridge Inc.	Canada	SP 1: Report on Lobbying and Political Donations	For
Enbridge Inc.	Canada	SP 2: Disclose the Company's Scope 3 Emissions	For
ENGIE SA	France	Amend Articles 21 and 24 of Bylaws Re: Climate Strategy	For
Equinor ASA	Norway	End All Plans for Activities in Barents Sea, Adjust Up Investment in Renewables/Low Carbon Solution to 50 Percent by 2025, Implement CCS for Melkoya, and Invest in Rebuilding of Ukraine	Against
Equinor ASA	Norway	Identify and Manage Climate-Related Risks and Possibilities, and Integrate Them into Company's Strategy	Against
Equinor ASA	Norway	Include Global Warming in Company's Further Strategy, Stop All Exploration For More Oil & Gas, Phase Out All Production and Sale of Oil & Gas, Multiply Investment in Renewable Energy and CCS, and Become Climate-Friendly Company	Against
Equinor ASA	Norway	Stop All Exploration and Drilling by 2025 and Provide Financial and Technical Assistance For Repair and Development of Ukraine's Energy Infrastructure	Against

Company	Country	Type of shareholder proposal	Vote
Equinor ASA	Norway	Stop All Exploration and Test Drilling for Oil & Gas, Become a Leading Producer of Renewable Energy, Stop Plans for Electrification of Melkoya, and Present a Plan Enabling Norway to Become Net-Zero By 2050	Against
Exxon Mobil Corporation	U.S.	Adopt Medium-Term Scope 3 GHG Reduction Target	Against
Exxon Mobil Corporation	U.S.	Recalculate GHG Emissions Baseline to Exclude Emissions from Material Divestitures	For
Exxon Mobil Corporation	U.S.	Report on Asset Retirement Obligations Under IEA NZE Scenario	For
Exxon Mobil Corporation	U.S.	Report on Carbon Capture and Storage	For
Exxon Mobil Corporation	U.S.	Report on Methane Emission Disclosure Reliability	For
Exxon Mobil Corporation	U.S.	Report on Potential Costs of Environmental Litigation	For
Exxon Mobil Corporation	U.S.	Report on Social Impact From Plant Closure or Energy Transition	For
FedEx Corporation	U.S.	Report on Climate Risk in Retirement Plan Options	Against
FedEx Corporation	U.S.	Report on Just Transition	Abstain
General Electric Company	U.S.	Issue Audited Report on Fiduciary Relevance of Decarbonization Goal	Against
General Electric Company	U.S.	Issue Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario	For
Glencore Plc	Jersey	Resolution in Respect of the Next Climate Action Transition Plan	For
Hokkaido Electric Power Co., Inc.	Japan	Amend Articles to Execute Moderate Carbon Neutral Transition Plan	Against
Honeywell International Inc.	U.S.	Issue Environmental Justice Report	For
iA Financial Corporation Inc.	Canada	SP 3: Advisory Vote on Environmental Policies	Against
Imperial Oil Limited	Canada	SP 1: Adopt an Absolute Greenhouse Gas Reduction Target	Against
Imperial Oil Limited	Canada	SP 2: Report on the Impact of the Energy Transition on Asset Retirement Obligations	For
JPMorgan Chase & Co.	U.S.	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	Against
JPMorgan Chase & Co.	U.S.	Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting	Against
JPMorgan Chase & Co.	U.S.	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

ENVIRONMENTAL — CLIMATE (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Lockheed Martin Corporation	U.S.	Report on Efforts to Reduce Full Value Chain GHG Emissions in Alignment with Paris Agreement Goal	For
Marathon Petroleum Corporation	U.S.	Report on Just Transition	For
Martin Marietta Materials, Inc.	U.S.	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Against
Mesa Laboratories, Inc.	U.S.	Report on Scope 1 Through 3 Greenhouse Gas Emissions Across the Company's Full Value-Chain	For
Meta Platforms, Inc.	U.S.	Report on Framework to Assess Company Lobbying Alignment with Climate Goals	For
Metro Inc.	Canada	SP 1: Adopt Near and Long-Term Science-Based Greenhouse Gas Emissions Reduction Targets	Against
Microsoft Corporation	U.S.	Report on Climate Risk in Retirement Plan Options	Against
Mitsubishi Corp.	Japan	Amend Articles to Disclose Evaluation concerning Consistency between Capital Expenditures and Net Zero Greenhouse Gas Emissions by 2050 Commitment	For
Mitsubishi Corp.	Japan	Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement	For
Mitsubishi UFJ Financial Group, Inc.	Japan	Amend Articles to Disclose Transition Plan to Align Lending and Investment Portfolios with Goals of Paris Agreement	Against
Mitsui Mining & Smelting Co., Ltd.	Japan	Amend Articles to Realize Zero Carbon Emissions	Against
Mizuho Financial Group, Inc.	Japan	Amend Articles to Disclose Transition Plan to Align Lending and Investment Portfolios with Goals of Paris Agreement	Against
Morgan Stanley	U.S.	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	Against
National Australia Bank Limited	Australia	Approve Transition Plan Assessments	For
National Bank of Canada	Canada	SP 1: Advisory Vote on Environmental Policies	For
Netflix, Inc.	U.S.	Report on Climate Risk in Retirement Plan Options	For
New Hope Corporation Limited	Australia	Approve Capital Protection	For
New York Community Bancorp, Inc.	U.S.	Report on Climate Lobbying	For

Company	Country	Type of shareholder proposal	Vote
NewMarket Corporation	U.S.	Publication of GHG Emissions and Setting Short-, Medium- and Long-Term Emission Reduction Targets to Align Business Activities with Net Zero Emissions by 2050 in Line with the Paris Climate Agreement	For
OraSure Technologies, Inc.	U.S.	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Against
PACCAR Inc	U.S.	Report on Climate Lobbying	For
PepsiCo, Inc.	U.S.	Publish Annual Congruency Report on Net-Zero Emissions Policy	Against
Public Storage	U.S.	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	For
Quest Diagnostics Incorporated	U.S.	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Against
Raytheon Technologies Corporation	U.S.	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	For
Royal Bank of Canada	Canada	SP 4: Report on 2030 Absolute Greenhouse Gas Reduction Goals	Against
Royal Bank of Canada	Canada	SP 5: Adopt a Policy for a Time-Bound Phaseout of the Bank's Lending and Underwriting for Projects and Companies Engaging in Fossil Fuel Exploration	Against
Royal Bank of Canada	Canada	SP 7: Advisory Vote on Environmental Policies	For
Santos Limited	Australia	Approve Capital Protection	For
Shell Plc	United Kingdom	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	For
Skandinaviska Enskilda Banken AB	Sweden	Stop Financing Fossil Companies that Expand Extraction and Lack Robust Fossil Phase-Out Plans in Line with 1.5 Degrees	Against
Skechers U.S.A., Inc.	U.S.	Report on Plans to Reduce Full Value Chain GHG Emissions Aligned with Paris Agreement Goal	For
Sumitomo Mitsui Financial Group, Inc.	Japan	Amend Articles to Disclose Transition Plan to Align Lending and Investment Portfolios with Goals of Paris Agreement	Against
Sun Life Financial Inc.	Canada	SP 1: Produce a Report Documenting the Health Impacts and Potential Insurance Implications of its Investments in Fossil Fuels on its Current and Future Client Base	For

Source: Northern Trust Asset Management.



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

ENVIRONMENTAL — CLIMATE (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Suncor Energy Inc.	Canada	SP 1: Report on Alignment of Capital Expenditure Plans with 2030 Emissions Reductions Target and 2050 Net Zero Pledge	For
Swedbank AB	Sweden	Stop Financing Fossil Companies That Expand Extraction and Lack Robust Fossil Phase-Out Plans in Line with 1.5 Degrees	Against
Targa Resources Corp.	U.S.	Report on Efforts to Reduce Methane Emission Venting and Flaring in Supply Chain	For
Texas Roadhouse, Inc.	U.S.	Report on Efforts to Reduce GHG Emissions in Alignment with the Paris Agreement Goal	For
The Bank of Nova Scotia	Canada	SP 1: Advisory Vote on Environmental Policies	For
The Bank of Nova Scotia	Canada	SP 2: Report on Client Net-Zero Transition Plans in Relation to Bank's 2030 Emissions Reduction and Net-Zero Goals	For
The Boeing Company	U.S.	Report on Climate Lobbying	For
The Goldman Sachs Group, Inc.	U.S.	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	Against
The Goldman Sachs Group, Inc.	U.S.	Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting	For
The Goldman Sachs Group, Inc.	U.S.	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	For
The Hartford Financial Services Group, Inc.	U.S.	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Add Provision that Utility will Operate to Promote Nuclear Phase-Out, Decarbonization and Renewal Energy	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Add Provisions Concerning Management Based on CSR (Withdrawal from Coal-Fired Power Generation Business)	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Ban Conclusion of Agreements to Purchase Coal Power Generated Electricity	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Develop Alternative Energy Sources in place of Nuclear Power to Stabilize Electricity Rate	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Disclose Transition Plan through 2050 Aligned with Goals of Paris Agreement	For
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Encourage Dispersed Renewable Energy	Against

Company	Country	Type of shareholder proposal	Vote
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Establish Electricity Supply System Based on Renewable Energies	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Realize Zero Carbon Emissions by 2050	Against
The Mosaic Company	U.S.	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	For
The Southern Company	U.S.	Adopt Scope 3 GHG Emissions Reduction Targets Aligned with Paris Agreement Goal	Against
The Southern Company	U.S.	Report on Feasibility of Net-Zero GHG Emissions	Against
The Toronto-Dominion Bank	Canada	SP 3: Advisory Vote on Environmental Policies	Against
The Toronto-Dominion Bank	Canada	SP 4: Invest in and Finance the Canadian Oil and Gas Sector	Against
The Toronto-Dominion Bank	Canada	SP 6: Disclose Transition Plan Towards 2030 Emission Reduction Goals	For
The Travelers Companies, Inc.	U.S.	Adopt Time-Bound Policy to Phase Out Underwriting for New Fossil Fuel Exploration and Development	Against
The Travelers Companies, Inc.	U.S.	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting	Against
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend Articles to Require Disclosure of Asset Resilience to a Net Zero by 2050 Pathway	For
TotalEnergies SE	France	Align Targets for Indirect Scope 3 Emissions with the Paris Climate Agreement (Advisory)	For
Toyota Motor Corp.	Japan	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	For
United Parcel Service, Inc.	U.S.	Adopt Independently Verified Science-Based Greenhouse Gas Emissions Reduction Targets in Line with the Paris Climate Agreement	Against
United Parcel Service, Inc.	U.S.	Report on Just Transition	For
Valero Energy Corporation	U.S.	Report on Climate Transition Plan and GHG Emissions Reduction Targets	For
Wells Fargo & Company	U.S.	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	Against
Wells Fargo & Company	U.S.	Report on Climate Lobbying	For
Wells Fargo & Company	U.S.	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

ENVIRONMENTAL — CLIMATE (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Westlake Corporation	U.S.	Strengthen 2030 GHG Reduction Targets and Adopt Long-Term Targets Aligned with Net Zero	For
Westpac Banking Corp.	Australia	Approve Transition Plan Assessments	For
Whitehaven Coal Limited	Australia	Approve Capital Protection	For
Woodside Energy Group Ltd.	Australia	Approve Contingent Resolution – Capital Protection	For

ENVIRONMENTAL — BOARD-RELATED

Company	Country	Type of shareholder proposal	Vote
Chevron Corporation	U.S.	Establish Board Committee on Decarbonization Risk	Against
Exxon Mobil Corporation	U.S.	Establish Board Committee on Decarbonization Risk	Against
FirstEnergy Corporation	U.S.	Establish a New Board Committee on Decarbonization Risk	Against

ENVIRONMENTAL — COMPENSATION

Company	Country	Type of shareholder proposal	Vote
Cummins Inc.	U.S.	Disclose Plan to Link Executive Compensation to GHG Emissions Reduction Goals	Against
United Parcel Service, Inc.	U.S.	Report on Integrating GHG Emissions Reductions Targets into Executive Compensation	Against

ENVIRONMENTAL — MISCELLANEOUS/OTHER

Company	Country	Type of shareholder proposal	Vote
Equinor ASA	Norway	Ban Use of Fiberglass Rotor Blades in All New Wind Farms, Commit to Buy into Existing Hydropower Projects, and Conduct Research on Other Energy Sources Such as Thorium	Against
Exxon Mobil Corporation	U.S.	Issue a Report on Worst-Case Impacts of Oil Spills from Operations Offshore of Guyana	For
General Motors Company	U.S.	Report on Setting Sustainable Sourcing Targets	For
H. Lundbeck A/S	Denmark	Purchase of Properties Close to Lumsas Factory to Ensure Health, Safety and Good Relations with Local Community	Against
H&M Hennes & Mauritz AB	Sweden	Request Board to Initiate Plan for Launching Clothing with Fairtrade Label	Against
H&M Hennes & Mauritz AB	Sweden	Request Company to Disclose Exposure to and Risks of Sourcing GM Cotton, and Set Targets to Decrease Exposure to GM Cotton and Increase Sourcing of Organic Cotton	Against
Hokkaido Electric Power Co., Inc.	Japan	Amend Articles to Promote Geothermal Power Generation	Against
Marathon Petroleum Corporation	U.S.	Report on Asset Retirement Obligation	For
Pilgrim's Pride Corporation	U.S.	Report on Efforts to Eliminate Deforestation in Supply Chain	For
Starbucks Corporation	U.S.	Report on Plant-Based Milk Pricing	For
State Street Corporation	U.S.	Report on Asset Management Policies and Diversified Investors	For
The Kraft Heinz Company	U.S.	Report on Supply Chain Water Risk Exposure	For
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend Articles to Use Natural Energy as Core Power Source	Against

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

ENVIRONMENTAL – POLLUTION

Company	Country	Type of shareholder proposal	Vote
Alleima AB	Sweden	Instruct Board to Decrease Chemical Waste	Against
Alleima AB	Sweden	Instruct Board to Procure Measure Proposals to Decrease Thermal Waste by 50 Percent by 2030	Against
Alleima AB	Sweden	Present More Clearly Nature and Extent of Chemical Waste in Next Year Annual Reports	For
Amazon.com, Inc.	U.S.	Report on Efforts to Reduce Plastic Use	Against
Chubu Electric Power Co., Inc.	Japan	Amend Articles to Ban Reprocessing of Spent Nuclear Fuels	Against
Chubu Electric Power Co., Inc.	Japan	Amend Articles to Decommission Hamaoka Nuclear Power Station	Against
Constellation Brands, Inc.	U.S.	Report on Support for a Circular Economy for Packaging	For
Coty Inc.	U.S.	Report on Efforts to Reduce Plastic Use	For
Dow Inc.	U.S.	Commission Audited Report on Reduced Plastics Demand	Against
Exxon Mobil Corporation	U.S.	Commission Audited Report on Reduced Plastics Demand	For
Hokkaido Electric Power Co., Inc.	Japan	Amend Articles to Ban Financial Assistance and Investment to Japan Atomic Power and Japan Nuclear Fuel	Against
Hokkaido Electric Power Co., Inc.	Japan	Amend Articles to Ban Release of Radioactive Waste into the Air and the Ocean	Against
Hokkaido Electric Power Co., Inc.	Japan	Amend Articles to Withdraw from Nuclear Power Generation	Against
Hokuriku Electric Power Co.	Japan	Amend Articles to Ban Reprocessing of Spent Nuclear Fuels	Against
Hokuriku Electric Power Co.	Japan	Amend Articles to Establish Department to Close Shika Nuclear Power Plant	Against
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Conduct Three-Dimensional Reflection Seismic Survey	Against

Company	Country	Type of shareholder proposal	Vote
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Create New Post of Executive Officer Liaised with Nuclear Regulation Authority	Against
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Establish Investigation Committee concerning Aging of Sendai Nuclear Power Reactors	Against
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Introduce Provision on Basic Policy concerning Preliminary Injunction related to Nuclear Power Plant Operation	Against
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Withdraw from Spent Nuclear Fuel Recycling Business	Against
Phillips 66	U.S.	Publish Audited Report on Impacts of a Significant Reduction in Virgin Plastic Demand	For
Restaurant Brands International Inc.	Canada	Report on Efforts to Reduce Plastic Use	For
Restaurant Brands International Limited Partnership	Canada	Report on Reduction of Plastics Use	For
Shikoku Electric Power Co., Inc.	Japan	Amend Articles to Engage in Businesses Not Related to Nuclear Power	Against
The Chugoku Electric Power Co., Inc.	Japan	Amend Articles to Withdraw from Nuclear Power Generation	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Ban Reprocessing of Spent Nuclear Fuels	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Demolish All Nuclear Power Plants	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Establish Work Environment where Employees Think About Safety of Nuclear Power Generation	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Launch Study Group on Evacuation Plan in the Event of Nuclear Accident	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Stop Nuclear Power Generation	Against
The Kroger Co.	U.S.	Report on Efforts to Reduce Plastic Use	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

ENVIRONMENTAL – POLLUTION

Company	Country	Type of shareholder proposal	Vote
Tohoku Electric Power Co., Inc.	Japan	Amend Articles to Ban Financial Assistance and Investment to Japan Atomic Power and Japan Nuclear Fuel	Against
Tohoku Electric Power Co., Inc.	Japan	Amend Articles to Halt Investments in Nuclear Power Plants	Against
Tohoku Electric Power Co., Inc.	Japan	Amend Articles to Introduce Provision on Nuclear Waste Processing and Disposal	Against
Tohoku Electric Power Co., Inc.	Japan	Amend Articles to Withdraw from Nuclear Power and Promote Renewable Energy	Against
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend Articles to Add Provision on Contaminated Water Treatment at Fukushima Daiichi Nuclear Power Station	Against

Company	Country	Type of shareholder proposal	Vote
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend Articles to Exclude Nuclear Power Generations from Decarbonization Initiatives	Against
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend Articles to Not to Position Nuclear Power Generation as Global Warming Mitigation Measures	Against
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend Articles to Withdraw from Nuclear Power Generation	Against
Westlake Corporation	U.S.	Report on Reducing Plastic Pollution of the Oceans	For
Yum! Brands, Inc.	U.S.	Report on Efforts to Reduce Plastic Use	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — BOARD RELATED

Company	Country	Type of shareholder proposal	Vote
Abbott Laboratories	U.S.	Require Independent Board Chair	Against
Advance Auto Parts, Inc.	U.S.	Require Independent Board Chair	Against
AeroVironment, Inc.	U.S.	Declassify the Board of Directors	For
Allegiant Travel Company	U.S.	Require Independent Board Chair	Against
Amazon.com, Inc.	U.S.	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	Against
American International Group, Inc.	U.S.	Require Independent Board Chair	Against
Anima Holding SpA	Italy	Fix Board Terms for Directors	For
Anima Holding SpA	Italy	Fix Number of Directors	For
Apple Inc.	U.S.	Amend Proxy Access Right	For
Applied Molecular Transport Inc.	U.S.	Declassify the Board of Directors	For
Archer-Daniels-Midland Company	U.S.	Require Independent Board Chair	Against
AT&T Inc.	U.S.	Require Independent Board Chair	Against
Autogrill SpA	Italy	Fix Board Terms for Directors	For
Autogrill SpA	Italy	Fix Number of Directors	For
Banca Monte dei Paschi di Siena SpA	Italy	Fix Number of Directors	For
Banca Monte dei Paschi di Siena SpA	Italy	Fix Number of Vice-Chairmen	For
Bank of America Corporation	U.S.	Require Independent Board Chair	Against
Bath & Body Works, Inc.	U.S.	Require Independent Board Chair	Against
Berkshire Hathaway Inc.	U.S.	Require Independent Board Chair	Against
Bristol-Myers Squibb Company	U.S.	Require Independent Board Chair	Against
Brunello Cucinelli SpA	Italy	Fix Board Terms for Directors	For
Brunello Cucinelli SpA	Italy	Fix Number of Directors	For
Bunka Shutter Co. Ltd.	Japan	Amend Articles to Require Majority Outsider Board	Against
Bunka Shutter Co. Ltd.	Japan	Amend Articles to Separate Chairman of the Board and CEO, and Appoint Outside Director as Board Chair	Against
Buzzi Unicem SpA	Italy	Fix Board Terms for Directors	For
Buzzi Unicem SpA	Italy	Fix Number of Directors	For

Company	Country	Type of shareholder proposal	Vote
Carrier Global Corporation	U.S.	Require Independent Board Chairman	Against
Caverion Oyj	Finland	Fix Number of Directors at Two and Deputy Directors at One	Against
CF Industries Holdings, Inc.	U.S.	Require Independent Board Chair	Against
Chevron Corporation	U.S.	Require Independent Board Chair	Against
Church & Dwight Co., Inc.	U.S.	Require Independent Board Chair	Against
Citigroup Inc.	U.S.	Require Independent Board Chair	Against
Citizen Watch Co., Ltd.	Japan	Amend Articles to Separate Chairman of the Board and CEO, and Appoint Outside Director as Board Chair	Against
Colgate-Palmolive Company	U.S.	Require Independent Board Chair	Against
ConocoPhillips	U.S.	Require Independent Board Chair	Against
Cummins Inc.	U.S.	Require Independent Board Chairman	Against
Dana Incorporated	U.S.	Require Independent Board Chair	Against
Danaher Corporation	U.S.	Require Independent Board Chair	Against
Dominion Energy, Inc.	U.S.	Require Independent Board Chair	Against
Dow Inc.	U.S.	Require Independent Board Chair	Against
DuPont de Nemours, Inc.	U.S.	Require Independent Board Chair	Against
Eastman Chemical Company	U.S.	Require Independent Board Chair	Against
Ecolab Inc.	U.S.	Require Independent Board Chair	Against
Edwards Lifesciences Corporation	U.S.	Require Independent Board Chair	Against
Elekta AB	Sweden	Amend Procedures for Nomination Committee	Against
EMCOR Group, Inc.	U.S.	Require Independent Board Chair	Against
ENAV SpA	Italy	Fix Board Terms for Directors	For
ENAV SpA	Italy	Fix Number of Directors	For
Fiserv, Inc.	U.S.	Require Independent Board Chairman	Against
General Dynamics Corporation	U.S.	Require Independent Board Chair	Against
General Electric Company	U.S.	Require Independent Board Chairman	Against
Gilead Sciences, Inc.	U.S.	Require More Director Nominations Than Open Seats	Against
Greenhill & Co., Inc.	U.S.	Require Independent Board Chair	Against
Gruppo MutuiOnline SpA	Italy	Fix Board Terms for Directors	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — BOARD RELATED (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Gruppo MutuiOnline SpA	Italy	Fix Number of Directors	For
Hokuetsu Corp.	Japan	Amend Articles to Require Majority Outsider Board	Against
Honeywell International Inc.	U.S.	Require Independent Board Chair	Against
House Foods Group, Inc.	Japan	Amend Articles to Require Majority Outsider Board	Against
Illinois Tool Works Inc.	U.S.	Require Independent Board Chair	Against
International Business Machines Corporation	U.S.	Require Independent Board Chair	Against
International Paper Company	U.S.	Require Independent Board Chair	Against
IQVIA Holdings Inc.	U.S.	Require Independent Board Chair	Against
Italmobiliare SpA	Italy	Fix Board Terms for Directors	For
Italmobiliare SpA	Italy	Fix Number of Directors	For
JPMorgan Chase & Co.	U.S.	Require Independent Board Chair	Against
Juventus Football Club SpA	Italy	Fix Board Terms for Directors	For
Juventus Football Club SpA	Italy	Fix Number of Directors	For
KeyCorp	U.S.	Require Independent Board Chair	Against
Knight-Swift Transportation Holdings Inc.	U.S.	Require Independent Board Chair	Against
Kusuri No Aoki Holdings Co., Ltd.	Japan	Amend Articles to Appoint Lead Independent Director	For
Laboratory Corporation of America Holdings	U.S.	Require Independent Board Chair	Against
Leidos Holdings, Inc.	U.S.	Require Independent Board Chair	Against
Leonardo SpA	Italy	Fix Board Terms for Directors	For
Leonardo SpA	Italy	Fix Number of Directors	For
Lincoln National Corporation	U.S.	Require Independent Board Chair	Against
Lockheed Martin Corporation	U.S.	Require Independent Board Chair	Against
Lowe's Companies, Inc.	U.S.	Require Independent Board Chair	Against
LU-VE SpA	Italy	Fix Board Terms for Directors	For
LU-VE SpA	Italy	Fix Number of Directors	For
MARR SpA	Italy	Fix Board Terms for Directors	For
MARR SpA	Italy	Fix Number of Directors	For
Mattel, Inc.	U.S.	Require Independent Board Chair	Against

Company	Country	Type of shareholder proposal	Vote
Merck & Co., Inc.	U.S.	Require Independent Board Chair	Against
Mondelez International, Inc.	U.S.	Require Independent Board Chair	Against
Nasdaq, Inc.	U.S.	Require Independent Board Chair	Against
Nexstar Media Group, Inc.	U.S.	Require Independent Board Chair	Against
NiSource Inc.	U.S.	Require Independent Board Chair	Against
Nitta Corp.	Japan	Amend Articles to Require Majority Outsider Board	Against
Northrop Grumman Corporation	U.S.	Require Independent Board Chair	Against
O'Reilly Automotive, Inc.	U.S.	Require Independent Board Chair	Against
Occidental Petroleum Corporation	U.S.	Require Independent Board Chair	Against
OmnicomGroup Inc.	U.S.	Require Independent Board Chair	Against
Oracle Corporation	U.S.	Require Independent Board Chair	Against
Orange SA	France	Amend Article 13 of Bylaws Re: Plurality of Directorships	Against
Oshkosh Corporation	U.S.	Require a Majority Vote for the Election of Directors	For
Otis Worldwide Corporation	U.S.	Require Independent Board Chair	Against
OVS SpA	Italy	Fix Board Terms for Directors	For
OVS SpA	Italy	Fix Number of Directors	For
Paramount Global	U.S.	Require Independent Board Chair	Against
Paycom Software, Inc.	U.S.	Require a Majority Vote for the Election of Directors	For
PayPal Holdings, Inc.	U.S.	Adopt Majority Vote Standard for Director Elections	Against
PepsiCo, Inc.	U.S.	Require Independent Board Chair	Against
Pfizer Inc.	U.S.	Require Independent Board Chair	Against
Pharmanutra SpA	Italy	Fix Board Terms for Directors	For
Pharmanutra SpA	Italy	Fix Number of Directors	For
Pinnacle West Capital Corporation	U.S.	Require Independent Board Chair	Against
Pirelli & C. SpA	Italy	Fix Number of Directors	For
PPG Industries, Inc.	U.S.	Require Independent Board Chair	Against
PPL Corporation	U.S.	Require Independent Board Chair	Against
Prudential Financial, Inc.	U.S.	Require Independent Board Chair	Against

Source: Northern Trust Asset Management.



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — BOARD RELATED (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Rai Way SpA	Italy	Fix Board Terms for Directors	For
Rai Way SpA	Italy	Fix Number of Directors	For
Raytheon Technologies Corporation	U.S.	Require Independent Board Chair	Against
Reliance Steel & Aluminum Co.	U.S.	Require Independent Board Chairman	Against
Rinnai Corp.	Japan	Amend Articles to Require Majority Outsider Board	Against
Ryder System, Inc.	U.S.	Require Independent Board Chair	Against
Salesforce, Inc.	U.S.	Require Independent Board Chair	Against
Saras SpA	Italy	Fix Board Terms for Directors	For
Saras SpA	Italy	Fix Number of Directors	For
SECOM Co., Ltd.	Japan	Amend Articles to Require Majority Outsider Board	Against
Sempra Energy	U.S.	Require Independent Board Chair	Against
Southwest Airlines Co.	U.S.	Adopt Majority Vote Cast to Remove Directors With or Without Cause	Against
Target Corporation	U.S.	Require Independent Board Chair	Against
Tekla Life Sciences Investors	U.S.	Declassify the Board of Directors	For
TERNA Rete Elettrica Nazionale SpA	Italy	Fix Board Terms for Directors	For
TERNA Rete Elettrica Nazionale SpA	Italy	Fix Number of Directors	For
Texas Pacific Land Corp.	U.S.	Require Independent Board Chair	Against
The Coca-Cola Company	U.S.	Require Independent Board Chair	Against
The Goldman Sachs Group, Inc.	U.S.	Require Independent Board Chair	Against

Company	Country	Type of shareholder proposal	Vote
The Home Depot, Inc.	U.S.	Require Independent Board Chair	Against
The Interpublic Group of Companies, Inc.	U.S.	Require Independent Board Chair	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Reduce Maximum Board Size and Require Majority Outsider Board	Against
The Wendy's Company	U.S.	Amend Proxy Access Right	Against
The Wendy's Company	U.S.	Require Independent Board Chair	Against
Triumph Group, Inc.	U.S.	Require Independent Board Chairman	Against
Truist Financial Corporation	U.S.	Require Independent Board Chair	Against
TSURUHA Holdings, Inc.	Japan	Amend Articles to Separate Chairperson of the Board and CEO, and Appoint Outside Director as Board Chairperson	Against
Union Pacific Corporation	U.S.	Require Independent Board Chair	Against
Vector Group Ltd.	U.S.	Require Independent Board Chair	Against
VeriSign, Inc.	U.S.	Require Independent Board Chair	Against
Verizon Communications Inc.	U.S.	Require Independent Board Chair	Against
Vertex Energy, Inc.	U.S.	Require a Majority Vote for the Election of Directors	For
Visa Inc.	U.S.	Require Independent Board Chair	Against
Wakita & Co., Ltd.	Japan	Amend Articles to Separate Chairman of the Board and CEO	Against
Walgreens Boots Alliance, Inc.	U.S.	Require Independent Board Chair	Against
Wirtualna Polska Holding SA	Poland	Fix Size of Supervisory Board	Against
Xylem Inc.	U.S.	Require Independent Board Chair	Against

Source: Northern Trust Asset Management.



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — COMPENSATION

Company	Country	Type of shareholder proposal	Vote
Abbott Laboratories	U.S.	Adopt Policy to Include Legal and Compliance Costs in Incentive Compensation Metrics	Against
Activision Blizzard, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Alcoa Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Alphabet Inc.	U.S.	Adopt Share Retention Policy For Senior Executives	Against
AMC Networks Inc.	U.S.	Adopt Share Retention Policy For Senior Executives	Against
American Express Company	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
AmerisourceBergen Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
AutoNation, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Bank of America Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	Against
Baxter International Inc.	U.S.	Adopt Share Retention Policy For Senior Executives	Against
Baxter International Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Becton, Dickinson and Company	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Booking Holdings Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Bunge Limited	Bermuda	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Bunka Shutter Co. Ltd.	Japan	Amend Articles to Require Individual Compensation Disclosure for Representative Directors	For
Cardinal Health, Inc.	U.S.	Adopt Share Retention Policy For Senior Executives	Against
Cardinal Health, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
CBRE Group, Inc.	U.S.	Adopt Share Retention Policy For Senior Executives	Against
Centene Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For

Company	Country	Type of shareholder proposal	Vote
Chemed Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Chubu Electric Power Co., Inc.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors and Statutory Auditors	For
Citigroup Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	Against
Citizen Watch Co., Ltd.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors	For
Cognizant Technology Solutions Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Colgate-Palmolive Company	U.S.	Adopt Share Retention Policy For Senior Executives	Against
ConocoPhillips	U.S.	Adopt Share Retention Policy For Senior Executives	Against
Crown Holdings, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
CTS Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Deere & Company	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Delta Air Lines, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Dover Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Electronic Arts Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Equinix, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Expeditors International of Washington, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
FedEx Corporation	U.S.	Amend Clawback Policy	Against
FirstEnergy Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Fortive Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For

Source: Northern Trust Asset Management.



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — COMPENSATION (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Fujitec Co., Ltd.	Japan	Amend Articles to Introduce Provision concerning Compensation Claw Back	Against
Fujitec Co., Ltd.	Japan	Amend Compensation for Directors by Formulating Provision concerning Compensation Claw Back	Against
Fujitec Co., Ltd.	Japan	Amend Compensation for Outside Directors	Against
Fukuda Denshi Co., Ltd.	Japan	Amend Articles to Add Provisions on Method to Determine Individual Director Compensation	Against
Fukuda Denshi Co., Ltd.	Japan	Approve Method to Determine Individual Director Compensation	Against
Gen Digital Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Global Payments Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Hokkaido Electric Power Co., Inc.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors and Advisors	For
Hokuriku Electric Power Co.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors, Statutory Auditors and Advisors	For
Huntsman Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Ichigo Office REIT Investment Corp.	Japan	Amend Articles to Set New Director Compensation Ceiling	Against
Intel Corporation	U.S.	Adopt Share Retention Policy For Senior Executives	Against
Iyogin Holdings, Inc.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors	For
Japan Securities Finance Co., Ltd.	Japan	Amend Articles to Require Disclosure of Perquisites Granted to Company Presidents after Retirement	For
Japan Securities Finance Co., Ltd.	Japan	Amend Articles to Require Individual Compensation Disclosure for Company President	For
Johnson & Johnson	U.S.	Adopt Policy to Include Legal and Compliance Costs in Incentive Compensation Metrics	For
Kaman Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Kusuri No Aoki Holdings Co., Ltd.	Japan	Amend Compensation for Outside Directors	Against

Company	Country	Type of shareholder proposal	Vote
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Introduce Clawback Provision for President's Compensation in the event of Administrative Orders	Against
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors	For
Lincoln National Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Marathon Petroleum Corporation	U.S.	Amend Compensation Clawback Policy	Against
McKesson Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
PACCAR Inc	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Pfizer Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Resideo Technologies, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Rite Aid Corporation	U.S.	Adopt Policy to Include Legal and Compliance Costs in Incentive Compensation Metrics	Against
Southwest Airlines Co.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Southwestern Energy Company	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Stanley Black & Decker, Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Suruga Bank Ltd.	Japan	Amend Articles to Cut Director Compensation until Business Improvement Order Is Cleared	Against
Suruga Bank Ltd.	Japan	Amend Articles to Introduce Provision on Director Compensation and Stock Options in the event of Misconducts	Against
Suruga Bank Ltd.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors and Executive Officers	For
TEGNA Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Texas Pacific Land Corp.	U.S.	Adopt Share Retention Policy For Senior Executives	Against

Source: Northern Trust Asset Management.



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — COMPENSATION (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
The AES Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
The Bank of New York Mellon Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
The Chugoku Electric Power Co., Inc.	Japan	Amend Articles to Cut Director's Compensation by 50 Percent	Against
The Goodyear Tire & Rubber Company	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors and Executive Officers, Including Those Who Retire During Tenure, as well as Individual Disclosure Concerning Advisory Contracts with Retired Directors and Executive Officers	For
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors, Executive Officers, and Advisors	For
Tokai Tokyo Financial Holdings, Inc.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors	For
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors and Executive Officers	For
Torii Pharmaceutical Co., Ltd.	Japan	Amend Articles to Require Individual Compensation Disclosure for Representative Directors	For
Toyo Construction Co., Ltd.	Japan	Amend Compensation for Directors	Against
UnitedHealth Group Incorporated	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	Against
Verizon Communications Inc.	U.S.	Amend Clawback Policy	Against
Verizon Communications Inc.	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Wakita & Co., Ltd.	Japan	Amend Articles to Require Individual Compensation Disclosure for Representative Directors	For
Xerox Holdings Corporation	U.S.	Submit Severance Agreement (Change-in-Control) to Shareholder Vote	For
Yum! Brands, Inc.	U.S.	Adopt Share Retention Policy For Senior Executives	Against
Zojirushi Corp.	Japan	Amend Articles to Require Individual Compensation Disclosure for Directors	For

Source: Northern Trust Asset Management.

GOVERNANCE — CORPORATE GOVERNANCE

Company	Country	Type of shareholder proposal	Vote
Abbott Laboratories	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
AbbVie Inc.	U.S.	Adopt Simple Majority Vote	For
American Airlines Group Inc.	U.S.	Adopt Simple Majority Vote	For
American Outdoor Brands, Inc.	U.S.	Adopt Simple Majority Vote	For
AMN Healthcare Services, Inc.	U.S.	Amend Right to Call Special Meeting	Against
Annaly Capital Management, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	For
Applied Materials, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Arconic Corporation	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Bloomin' Brands, Inc.	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	For
BorgWarner Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Bristol-Myers Squibb Company	U.S.	Amend Right to Call Special Meeting	Against
Bunka Shutter Co. Ltd.	Japan	Amend Articles to Transfer Authority to Convene and Chair Shareholder Meetings from Chairman to President	Against
Cadence Design Systems, Inc.	U.S.	Remove One-Year Holding Period Requirement to Call Special Meeting	Against
Capital One Financial Corporation	U.S.	Adopt Simple Majority Vote	For
Citizen Watch Co., Ltd.	Japan	Amend Articles to Enhance Information on Executive Officers in Proxy Materials	Against
CNO Financial Group, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Conagra Brands, Inc.	U.S.	Provide Right to Call a Special Meeting	For
CVS Health Corporation	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
De'Longhi SpA	Italy	Reduce Number of Directors from 12 to 11	For
Devon Energy Corporation	U.S.	Amend Right to Call Special Meeting	Against
Dollar General Corporation	U.S.	Amend Right to Call Special Meeting	Against

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — CORPORATE GOVERNANCE (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
DTE Energy Company	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Duke Energy Corporation	U.S.	Adopt Simple Majority Vote	For
eBay, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting to 10%	Against
Elevance Health, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	For
Eli Lilly and Company	U.S.	Adopt Simple Majority Vote	For
FLEETCOR Technologies, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Flowserve Corporation	U.S.	Amend Right to Call Special Meeting	Against
Fukuda Denshi Co., Ltd.	Japan	Amend Articles to Add Provisions on Takeover Defense	For
General Mills, Inc.	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	For
General Motors Company	U.S.	Provide Right to Act by Written Consent	Against
Gilead Sciences, Inc.	U.S.	Amend Right to Call Special Meeting	Against
HF Sinclair Corporation	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	For
Howmet Aerospace Inc.	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	Against
HP Inc.	U.S.	Provide Right to Act by Written Consent	Against
Intercontinental Exchange, Inc.	U.S.	Amend Right to Call Special Meeting	Against
IQVIA Holdings Inc.	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	For
ITT Inc.	U.S.	Amend Governing Documents Regarding Requirements to Call for a Special Meeting	Against
JPMorgan Chase & Co.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
KT&G Corp.	South Korea	Amend Articles of Incorporation (Bylaws) (Shareholder Proposal)	For
KT&G Corp.	South Korea	Amend Articles of Incorporation (Cancellation of Treasury Shares) (Shareholder Proposal)	For

Company	Country	Type of shareholder proposal	Vote
KT&G Corp.	South Korea	Amend Articles of Incorporation (Establishment of Compensation Committee) (Shareholder Proposal)	For
KT&G Corp.	South Korea	Amend Articles of Incorporation (Introduction of Quarterly Dividends) (Shareholder Proposal)	For
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Ban Abuse of Chairman Authority in Shareholder Meeting Proceeding	Against
Marathon Petroleum Corporation	U.S.	Adopt Simple Majority Vote	For
Morgan Stanley	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
NetApp, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Netflix, Inc.	U.S.	Amend Right to Call Special Meeting	Against
Newell Brands Inc.	U.S.	Amend Right to Act by Written Consent	Against
Norfolk Southern Corporation	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Oscotec, Inc.	South Korea	Amend Articles of Incorporation (Appointment of Directors) (Shareholder Proposal)	Against
Oscotec, Inc.	South Korea	Amend Articles of Incorporation (Deletion of Supermajority Voting Requirement) (Shareholder Proposal)	Against
Sanlorenzo SpA	Italy	Reduce Number of Directors from 12 to 10	For
Skyworks Solutions, Inc.	U.S.	Adopt Simple Majority Vote	For
SM Entertainment Co., Ltd.	South Korea	Amend Articles of Incorporation (Amendments Relating to Board) (Shareholder Proposal)	Against
SM Entertainment Co., Ltd.	South Korea	Amend Articles of Incorporation (Establishment of Board Committees) (Shareholder Proposal)	Against
Smith & Wesson Brands, Inc.	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	For
Sonoco Products Company	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Starbucks Corporation	U.S.	Adopt Policy on Succession Planning	For
Synopsys, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	For

Source: Northern Trust Asset Management.



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — CORPORATE GOVERNANCE (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Teleflex Incorporated	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Tesla, Inc.	U.S.	Report on Key-Person Risk and Efforts to Ameliorate It	For
TETRA Technologies, Inc.	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	For
Texas Instruments Incorporated	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
Texas Pacific Land Corp.	U.S.	Provide Right to Act by Written Consent	Against
Texas Pacific Land Corp.	U.S.	Provide Right to Act by Written Consent	Against
Texas Pacific Land Corp.	U.S.	Provide Right to Call a Special Meeting	For
Texas Pacific Land Corp.	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	Against
The Carlyle Group Inc.	U.S.	Adopt Simple Majority Vote	For
The Cigna Group	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
The Home Depot, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Request Action by Written Consent	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Keep Shareholder Meeting Minutes and Disclose Them to Public	Against
The Kraft Heinz Company	U.S.	Adopt Simple Majority Vote	For
The Mosaic Company	U.S.	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against
The Southern Company	U.S.	Adopt Simple Majority Vote	For
The Timken Company	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	For
The Western Union Company	U.S.	Provide Right to Act by Written Consent	Against
United Rentals, Inc.	U.S.	Reduce Ownership Threshold for Shareholders to Request Action by Written Consent to 10%	Against
Warner Bros. Discovery, Inc.	U.S.	Adopt Simple Majority Vote	For
Wells Fargo & Company	U.S.	Adopt Simple Majority Vote	For
Zoetis Inc.	U.S.	Provide Right to Call a Special Meeting at a 10 Percent Ownership Threshold	For

GOVERNANCE — MISCELLANEOUS/OTHER

Company	Country	Type of shareholder proposal	Vote
A.P. Moller-Maersk A/S	Denmark	Inclusion of the Shipping Companies to the OECD Agreement	Against
Amazon.com, Inc.	U.S.	Amend Bylaws to Require Shareholder Approval of Certain Provisions Related to Director Nominations by Shareholders	Against
Bunka Shutter Co. Ltd.	Japan	Amend Articles to Abolish the Post of Company Chairman	Against
Bunka Shutter Co. Ltd.	Japan	Amend Articles to Disclose Calculation Method for Performance-Based Compensation for Representative Directors	For
Bunka Shutter Co. Ltd.	Japan	Amend Articles to Disclose Performance Review of M&A Transactions	For
Chipotle Mexican Grill, Inc.	U.S.	Amend Bylaws to Require Shareholder Approval of Certain Provisions Related to Director Nominations by Shareholders	Against
CVS Health Corporation	U.S.	Amend Bylaws to Require Shareholder Approval of Certain Provisions Related to Director Nominations by Shareholders	Against
Fujitec Co., Ltd.	Japan	Amend Articles to Add Provision concerning Corporate Inspector Appointment by Shareholders	Against
Fukuda Denshi Co., Ltd.	Japan	Abolish Takeover Defense Plan (Poison pill) Approved at the 2006 AGM	For
HCA Healthcare, Inc.	U.S.	Amend Charter of Patient Safety and Quality of Care Committee	For
House Foods Group, Inc.	Japan	Amend Articles to Add Provision concerning Directors' Share Ownership	Against
Iyogin Holdings, Inc.	Japan	Amend Articles to Add Provision concerning Directors' Share Ownership	Against
Iyogin Holdings, Inc.	Japan	Amend Articles to Add Provisions on "Small Act of Kindness Campaign"	Against
Japan Securities Finance Co., Ltd.	Japan	Amend Articles to Abolish the Post of Executive Chairman	Against
Keiyo Co., Ltd.	Japan	Amend Articles to Disclose Cost of Equity Capital in Corporate Governance Report	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — MISCELLANEOUS/OTHER

Company	Country	Type of shareholder proposal	Vote
Keiyo Co., Ltd.	Japan	Amend Articles to Dispose of All Shares Held for Purposes Other Than Pure Investment by Feb. 28, 2025	Against
Kyokuto Kaihatsu Kogyo Co., Ltd.	Japan	Amend Articles to Disclose Calculation Method for Performance-Based Compensation for Representative Directors	For
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Dismiss All Compliance Committee Members and Form New Committee	Against
Kyushu Electric Power Co., Inc.	Japan	Amend Articles to Prohibit President from Serving Other Organizations as Representative in the Event of Revelation of Serious Compliance Matters	Against
Mitsui Mining & Smelting Co., Ltd.	Japan	Amend Articles to Determine Representative Directors by Shareholder Vote	Against
Mitsui Mining & Smelting Co., Ltd.	Japan	Amend Articles to Disclose Weighted Average Cost of Capital in Corporate Governance Report	For
Proto Labs, Inc.	U.S.	Amend Bylaws to Require Shareholder Approval of Certain Provisions Related to Director Nominations by Shareholders	Against
Rinnai Corp.	Japan	Amend Articles to Add Provision concerning Directors' Share Ownership	Against
SECOM Co., Ltd.	Japan	Amend Articles to Add Provision concerning Directors' Share Ownership	Against
Societatea Nationala Nuclearelectrica SA	Romania	Empower Representatives to Sign Contracts with Non-Executive Directors	Against
Suruga Bank Ltd.	Japan	Amend Articles to Add Business Lines Reflecting SDGs	Against
Suruga Bank Ltd.	Japan	Amend Articles to Add Provision on Achievement of Business Improvement Plans	Against
Suruga Bank Ltd.	Japan	Amend Articles to Add Provision on Directors' Entrance Sweeping	Against
Suruga Bank Ltd.	Japan	Amend Articles to Disclose Status of Compliance Charter Observance	Against
Taisun Enterprise Co., Ltd.	Taiwan	Approve Release of Restrictions of Competitive Activities of Newly Appointed Directors (Including Independent Directors) and Representatives	Against
Teladoc Health, Inc.	U.S.	Amend Bylaws to Require Shareholder Approval of Certain Provisions Related to Director Nominations by Shareholders	Against

Source: Northern Trust Asset Management.

Company	Country	Type of shareholder proposal	Vote
Tele2 AB	Sweden	In the Event that the Investigation Clarifies that there is Need, Relevant Measures Shall be Taken to Ensure that the Requirements are Fulfilled	Against
Tele2 AB	Sweden	Investigate if Current Board Members and Leadership Team Fulfil Relevant Legislative and Regulatory Requirements, as well as the Demands of the Public Opinions' Ethical Values	Against
Texas Pacific Land Corp.	U.S.	Restrict Severance Agreements (Change-in-Control)	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Add Provisions Concerning Management Based on CSR (Facility Safety Enhancement)	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Add Provisions Concerning Management Based on CSR (Information Disclosure and Dialogue)	Against
Tohoku Electric Power Co., Inc.	Japan	Amend Articles to Disclose Cost and Unit Price of Power Generation	Against
Tokai Tokyo Financial Holdings, Inc.	Japan	Amend Articles to Establish Mandatory Retirement Age of 65 for Representative Directors	Against
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend Articles to Add Provisions on Audit Committee	Against
Toyo Suisan Kaisha, Ltd.	Japan	Amend Articles to Disclose Company's Review regarding Subsidiary Management in Corporate Governance Report	Against
Union Pacific Corporation	U.S.	Amend Bylaws to Require Shareholder Approval of Certain Provisions Related to Director Nominations by Shareholders	Against
Wakita & Co., Ltd.	Japan	Amend Articles to Disclose Weighted Average Cost of Capital in Corporate Governance Report	For
Walmart Inc.	U.S.	Amend Bylaws to Require Shareholder Approval of Certain Provisions Related to Director Nominations by Shareholders	Against
Zojirushi Corp.	Japan	Abolish Takeover Defense Plan (Poison pill) Approved at the 2022 AGM	For
Zojirushi Corp.	Japan	Amend Articles to Disclose Cost of Equity Capital in Corporate Governance Report	For
Zojirushi Corp.	Japan	Amend Articles to Dispose of All Shares Held for Purposes Other Than Pure Investment by Nov. 20, 2023	Against

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — ANIMAL WELFARE

Company	Country	Type of shareholder proposal	Vote
Amazon.com, Inc.	U.S.	Report on Animal Welfare Standards	Against
Campbell Soup Company	U.S.	Report on 2025 Cage-Free Egg Goal	For
Charles River Laboratories International, Inc.	U.S.	Report on Non-human Primates Imported by the Company	For
Dine Brands Global, Inc.	U.S.	Approve Request on Cage Free Egg Progress Disclosure	For
Dollar General Corporation	U.S.	Report on 2025 Cage-Free Egg Goal	For
Ford Motor Company	U.S.	Report on Animal Testing Practices	For
H&M Hennes & Mauritz AB	Sweden	Report on Slaughter Methods Used in H&M Supply Chain	Against
JPMorgan Chase & Co.	U.S.	Amend Public Responsibility Committee Charter to Include Animal Welfare	Against
Laboratory Corporation of America Holdings	U.S.	Report on Transport of Nonhuman Primates Within the U.S.	For
McDonald's Corporation	U.S.	Report on Animal Welfare	For
Mondelez International, Inc.	U.S.	Report on 2025 Cage-Free Egg Goal	For
Restaurant Brands International Inc.	Canada	Disclose Any Annual Benchmarks for Animal Welfare Goals	For
Restaurant Brands International Limited Partnership	Canada	Disclose Any Annual Benchmarks for Animal Welfare Goals	For
RH	U.S.	Report on Procurement of Down Feathers from the Company's Suppliers	For
Sysco Corporation	U.S.	Adopt Policy to Eliminate or Reduce Gestation Crates in Pork Supply Chain	Against

SOCIAL — CHARITABLE SPENDING

Company	Country	Type of shareholder proposal	Vote
The Kroger Co.	U.S.	Report on Charitable Contributions	Against
The Walt Disney Company	U.S.	Report on Charitable Contributions	Against

SOCIAL — DATA SECURITY AND PRIVACY

Company	Country	Type of shareholder proposal	Vote
Alphabet Inc.	U.S.	Report on Risks Related to Fulfilling Information Requests for Enforcing Laws Criminalizing Abortion Access	Against
American Express Company	U.S.	Report on Risks Related to Fulfilling Information Requests for Enforcing Laws Criminalizing Abortion Access	For
Laboratory Corporation of America Holdings	U.S.	Report on Risks Related to Fulfilling Information Requests for Enforcing Laws Criminalizing Abortion Access	For
Meta Platforms, Inc.	U.S.	Report on Data Privacy regarding Reproductive Healthcare	For
PayPal Holdings, Inc.	U.S.	Report on Risks Related to Fulfilling Information Requests for Enforcing Laws Criminalizing Abortion Access	Against
Walmart Inc.	U.S.	Report on Risks Related to Fulfilling Information Requests for Enforcing Laws Criminalizing Abortion Access	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL – DIVERSITY, EQUITY AND INCLUSION

Company	Country	Type of shareholder proposal	Vote
Adobe Inc.	U.S.	Report on Hiring of Persons with Arrest or Incarceration Records	For
Altria Group, Inc.	U.S.	Report on Third-Party Civil Rights Audit	For
Amazon.com, Inc.	U.S.	Report on Cost/Benefit Analysis of Diversity, Equity and Inclusion Programs	Against
Amazon.com, Inc.	U.S.	Report on Median and Adjusted Gender/Racial Pay Gaps	Against
American Water Works Company, Inc.	U.S.	Oversee and Report a Racial Equity Audit	For
Apple Inc.	U.S.	Report on Civil Rights and Non-Discrimination Audit	Against
Apple Inc.	U.S.	Report on Median Gender/Racial Pay Gap	Against
AT&T Inc.	U.S.	Commission Third Party Racial Equity Audit	For
Badger Meter, Inc.	U.S.	Report on Hiring of Persons with Arrest or Incarceration Records	For
Bank of America Corporation	U.S.	Commission Third Party Racial Equity Audit	For
Bank of Montreal	Canada	SP 3: Publish a Third-Party Racial Equity Audit	For
Berkshire Hathaway Inc.	U.S.	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	For
BlackRock, Inc.	U.S.	Report on Third-Party Civil Rights Audit	Against
Block, Inc.	U.S.	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	For
Bristol-Myers Squibb Company	U.S.	Commission a Civil Rights and Non-Discrimination Audit	Against
Capital One Financial Corporation	U.S.	Report on Board Oversight of Risks Related to Discrimination	Against
Caterpillar Inc.	U.S.	Report on Civil Rights and Non-Discrimination Audit	Against
CGI Inc.	Canada	SP 4: Report on Racial Disparities and Equity Issues	For
Chevron Corporation	U.S.	Oversee and Report a Racial Equity Audit	For
Cintas Corporation	U.S.	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	For
Comcast Corporation	U.S.	Oversee and Report on a Racial Equity Audit	For
CVS Health Corporation	U.S.	Adopt a Paid Sick Leave Policy	For
Danaher Corporation	U.S.	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	For
Denny's Corporation	U.S.	Report on Paid Sick Leave	Abstain

Source: Northern Trust Asset Management.

Company	Country	Type of shareholder proposal	Vote
DexCom, Inc.	U.S.	Report on Median Gender/Racial Pay Gap	Against
Digital Realty Trust, Inc.	U.S.	Report on Risks Associated with Use of Concealment Clauses	For
Dollarama Inc.	Canada	SP 1: Report on Emissions and Gender Target and its Overall Significance on the Company's ESG Strategy	For
Eli Lilly and Company	U.S.	Report on Effectiveness of Diversity, Equity and Inclusion Efforts and Metrics	For
Equifax Inc.	U.S.	Oversee and Report a Racial Equity Audit	For
Expeditors International of Washington, Inc.	U.S.	Report on Effectiveness of Diversity Equity and Inclusion Efforts and Metrics	For
FedEx Corporation	U.S.	Adopt a Paid Sick Leave Policy	Against
IDEX Corporation	U.S.	Report on Hiring of Persons with Arrest or Incarceration Records	For
International Business Machines Corporation	U.S.	Report on Efforts to Prevent Harassment and Discrimination in the Workplace	For
Intuitive Surgical, Inc.	U.S.	Report on Gender/Racial Pay Gap	Against
JPMorgan Chase & Co.	U.S.	Report on Risks Related to Discrimination Against Individuals Including Political Views	Against
Kellogg Company	U.S.	Report on Civil Rights, Non-Discrimination and Returns to Merit Audit	Against
Kellogg Company	U.S.	Report on Median Gender/Racial Pay Gap	Against
Marriott International, Inc.	U.S.	Report on Gender/Racial Pay Gap	Against
Mastercard Incorporated	U.S.	Report on Cost-Benefit Analysis of Diversity and Inclusion Efforts	Against
Mastercard Incorporated	U.S.	Report on Overseeing Risks Related to Discrimination	Against
McDonald's Corporation	U.S.	Report on Civil Rights and Non-Discrimination Audit	Against
Microsoft Corporation	U.S.	Report on Gender-Based Compensation and Benefits Inequities	Against
Microsoft Corporation	U.S.	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Against
Mohawk Industries, Inc.	U.S.	Oversee and Report a Racial Equity Audit	For
NIKE, Inc.	U.S.	Report on Median Gender/Racial Pay Gap	Against
Oracle Corporation	U.S.	Report on Median and Adjusted Gender/Racial Pay Gaps	Against
PayPal Holdings, Inc.	U.S.	Report on Ensuring Respect for Civil Liberties	Against
Pinterest, Inc.	USA	Report on Prevention of Workplace Harassment and Discrimination	For



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — DIVERSITY, EQUITY AND INCLUSION (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Royal Bank of Canada	Canada	SP 3: Publish a Third-Party Racial Equity Audit	For
The Boeing Company	U.S.	Report on Median Gender/Racial Pay Gap	Against
The Charles Schwab Corporation	U.S.	Report on Gender/Racial Pay Gap	Against
The Charles Schwab Corporation	U.S.	Report on Risks Related to Discrimination Against Individuals Including Political Views	Against
The Coca-Cola Company	U.S.	Report on Third-Party Civil Rights Audit	For
The GEO Group, Inc.	U.S.	Report on Third-Party Civil Rights Audit	For
The Goldman Sachs Group, Inc.	U.S.	Oversee and Report a Racial Equity Audit	For
The Goldman Sachs Group, Inc.	U.S.	Report on Median Gender/Racial Pay Gap	Against
The Home Depot, Inc.	U.S.	Rescind 2022 Racial Equity Audit Proposal	Against
The Kansai Electric Power Co., Inc.	Japan	Amend Articles to Add Provisions Concerning Management Based on CSR (Gender Diversity)	For
The Kraft Heinz Company	U.S.	Commission a Civil Rights and Non-Discrimination Audit	Against
The Kroger Co.	U.S.	Report on Gender/Racial Pay Gap	Against
The Kroger Co.	U.S.	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Against
The Procter & Gamble Company	U.S.	Report on Third-Party Civil Rights Audit of Reverse Discrimination	Against
The TJX Companies, Inc.	U.S.	Adopt a Paid Sick Leave Policy for All Employees	For
The Travelers Companies, Inc.	U.S.	Oversee and Report on a Third-Party Racial Equity Audit	For
Union Pacific Corporation	U.S.	Adopt a Paid Sick Leave Policy	Against
United Parcel Service, Inc.	U.S.	Oversee and Report a Civil Rights Audit	Against
United Parcel Service, Inc.	U.S.	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	For
UnitedHealth Group Incorporated	U.S.	Report on Third-Party Racial Equity Audit	Abstain
Valero Energy Corporation	U.S.	Oversee and Report a Racial Equity Audit	For
Walmart Inc.	U.S.	Commission Third Party Racial Equity Audit	For
Walmart Inc.	U.S.	Report on Racial and Gender Layoff Diversity	For
Wells Fargo & Company	U.S.	Report on Prevention of Workplace Harassment and Discrimination	For
Yum! Brands, Inc.	U.S.	Report on Civil Rights and Non-Discrimination Audit	Against
Yum! Brands, Inc.	U.S.	Report on Paid Sick Leave	For

Source: Northern Trust Asset Management.

SOCIAL — HEALTH AND SAFETY

Company	Country	Type of shareholder proposal	Vote
Amazon.com, Inc.	U.S.	Commission a Third Party Audit on Working Conditions	For
CGI Inc.	Canada	SP 3: Update the Role of the Human Resources Committee to Include Responsibilities Related to Employee Health and Well-being	For
Costco Wholesale Corporation	U.S.	Report on Risk Due to Restrictions on Reproductive Rights	For
Darden Restaurants, Inc.	U.S.	Report on Risks Due to Restrictions on Reproductive Rights	Abstain
Dollar General Corporation	U.S.	Oversee and Report a Workplace Health and Safety Audit	For
Hormel Foods Corporation	U.S.	Comply with World Health Organization Guidelines on Antimicrobial Use Throughout Supply Chains	For
McDonald's Corporation	U.S.	Adopt Policy to Phase Out Use of Medically-Important Antibiotics in Beef and Pork Supply Chain	For
McDonald's Corporation	U.S.	Comply with World Health Organization Guidelines on Antimicrobial Use Throughout Supply Chains	For
Merck & Co., Inc.	U.S.	Report on Access to COVID-19 Products	For
Moderna, Inc.	U.S.	Report on Feasibility of Technology Transfer to Boost Covid-19 Vaccine Production	For
PepsiCo, Inc.	U.S.	Report on Impacts of Restrictive Reproductive Healthcare Legislation	For
Philip Morris International Inc.	U.S.	Disclose Nicotine Level Information, and Reduce Nicotine Levels in Tobacco Products	Against
Tenet Healthcare Corporation	U.S.	Report on Policies Regarding Patients' Right to Access Abortions in Emergencies	For
The Coca-Cola Company	U.S.	Report on Risk Due to Restrictions on Reproductive Rights	For
The Kroger Co.	U.S.	Report on Public Health Costs Due to Tobacco Product Sales and the Impact on Overall Market	For
Tyson Foods, Inc.	U.S.	Comply with World Health Organization Guidelines on Antimicrobial Use Throughout Supply Chains	For
Uber Technologies, Inc.	U.S.	Commission a Third-Party Audit on Driver Health and Safety	Against
United Parcel Service, Inc.	U.S.	Report on Risk Due to Restrictions on Reproductive Rights	For
Walgreens Boots Alliance, Inc.	U.S.	Report on Public Health Costs Due to Tobacco Product Sales and the Impact on Overall Market	For
Walmart Inc.	U.S.	Oversee and Report a Workplace Health and Safety Audit	For



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — HUMAN CAPITAL MANAGEMENT

Company	Country	Type of shareholder proposal	Vote
Amazon.com, Inc.	U.S.	Consider Pay Disparity Between Executives and Other Employees	Against
H&M Hennes & Mauritz AB	Sweden	Request Company to Negotiate with Unions and Suppliers to Establish and Manage (i) Wage Assurance Account, (ii) Severance Claims Account, and (iii) Administration and Enforcement Account	Against
Walmart Inc.	U.S.	Consider Pay Disparity Between CEO and Other Employees	For

SOCIAL — HUMAN RIGHTS

Company	Country	Type of shareholder proposal	Vote
A.P. Moller-Maersk A/S	Denmark	Report on Efforts and Risks Related to Human Rights	Against
A.P. Moller-Maersk A/S	Denmark	Revoke Section 10 of the Danish International Shipping Registry Act in order to Comply with the ILO Core Conventions	Against
Activision Blizzard, Inc.	U.S.	Adopt Policy on Freedom of Association and Collective Bargaining	Against
Alphabet Inc.	U.S.	Publish Independent Human Rights Impact Assessment of Targeted Advertising Technology	For
Alphabet Inc.	U.S.	Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	For
Amazon.com, Inc.	U.S.	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	For
Amazon.com, Inc.	U.S.	Commission Third Party Study and Report on Risks Associated with Use of Rekognition	For
Amazon.com, Inc.	U.S.	Report on Customer Due Diligence	For
Apple Inc.	U.S.	Report on Operations in Communist China	For
Carlsberg A/S	Denmark	Report on Efforts and Risks Related to Human Rights	For
Casey's General Stores, Inc.	U.S.	Disclose Supplier Code of Conduct and Responsible Sourcing Details	Against
Caterpillar Inc.	U.S.	Report on Due Diligence Process of Doing Business in Conflict Affected Areas	For

SOCIAL — HUMAN RIGHTS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Chipotle Mexican Grill, Inc.	U.S.	Adopt Policy to Not Interfere with Freedom of Association Rights	For
Chubb Limited	Switzerland	Report on Human Rights Risk Assessment	For
Citigroup Inc.	U.S.	Report on Respecting Indigenous Peoples' Rights	For
Comcast Corporation	U.S.	Report on Risks Related to Operations in China	For
CVS Health Corporation	U.S.	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	For
Delta Air Lines, Inc.	U.S.	Adopt and Disclose a Freedom of Association and Collective Bargaining Policy	Against
FLSmidth & Co. A/S	Denmark	Report on Efforts and Risks Related to Human and Labor Rights	For
Ford Motor Company	U.S.	Report on Reliance on Child Labor in Supply Chain	For
General Dynamics Corporation	U.S.	Report on Human Rights Risk Assessment	For
General Motors Company	U.S.	Report on Risks Related to Operations in China	For
Gildan Activewear Inc.	Canada	Review Human Capital Management KPIs and SPTs Addressing Human Rights in its Supply Chain, and Improving Employee Safety and Reducing Workplace Risks and Include One Such KPI/SPT in its Next Sustainability Linked Credit Facility in 2027	Against
Intel Corporation	U.S.	Publish Third Party Review of Intel's China Business ESG Congruence	For
International Business Machines Corporation	U.S.	Report on Risks Related to Operations in China	For
International Paper Company	U.S.	Report on Risks Related to Operations in China	Against
Lockheed Martin Corporation	U.S.	Report on Human Rights Impact Assessment	For
McDonald's Corporation	U.S.	Report on Risks Related to Operations in China	Against
Merck & Co., Inc.	U.S.	Report on Risks Related to Operations in China	For
Meta Platforms, Inc.	U.S.	Report on Child Safety and Harm Reduction	For
Meta Platforms, Inc.	U.S.	Report on Human Rights Impact Assessment of Targeted Advertising	For
Metro Inc.	Canada	SP 2: Report on Actual and Potential Human Rights Impacts on Migrant Workers	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — HUMAN RIGHTS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Microchip Technology Incorporated	U.S.	Report on Due Diligence Efforts to Trace End-User Misuse of Company Products	For
Microsoft Corporation	U.S.	Report on Risks of Operating in Countries with Significant Human Rights Concerns	For
Mondelez International, Inc.	U.S.	Report on Targets to Eradicate Child Labor in Cocoa Supply Chain	For
Netflix, Inc.	U.S.	Adopt and Disclose a Freedom of Association and Collective Bargaining Policy	For
NIKE, Inc.	U.S.	Report on Effectiveness of Supply Chain Management on Equity Goals and Human Rights Commitments	For
PayPal Holdings, Inc.	U.S.	Adopt a Policy on Services in Conflict Zones	Against
Rivian Automotive, Inc.	U.S.	Adopt a Comprehensive Human Rights Policy	Against
Royal Bank of Canada	Canada	SP 2: Revise the Bank's Human Rights Position Statement	Abstain
Smith & Wesson Brands, Inc.	U.S.	Oversee and Report a Third Party Human Rights Impact Assessment	For
Starbucks Corporation	U.S.	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	For
Starbucks Corporation	U.S.	Report on Operations in Communist China	For

Company	Country	Type of shareholder proposal	Vote
Texas Instruments Incorporated	U.S.	Report on Due Diligence Efforts to Trace End-User Misuse of Company Products	For
The Boeing Company	U.S.	Report on Risks Related to Operations in China	For
The Goldman Sachs Group, Inc.	U.S.	Publish Third-Party Review on Chinese Congruency of Certain ETFs	For
The Hershey Company	U.S.	Report on Human Rights Impacts of Living Wage & Income Position Statement	For
The Procter & Gamble Company	U.S.	Report on Risks Related to Operations in China	Against
The TJX Companies, Inc.	U.S.	Report on Risk from Supplier Misclassification of Supplier's Employees	For
The TJX Companies, Inc.	U.S.	Report on Third-Party Assessment of Human Rights Due Diligence in Supply Chain	For
The Toronto-Dominion Bank	Canada	SP 1: Disclose Assessment on Human Rights Risk in Connection with Clients Owning Canadian Multi-Family Rental REITs in Canada	For
The Walt Disney Company	U.S.	Report on Risks Related to Operations in China	For
Walmart Inc.	U.S.	Report on Human Rights Due Diligence	For
Walmart Inc.	U.S.	Report on Risks Related to Operations in China	For
Wells Fargo & Company	U.S.	Adopt Policy on Freedom of Association and Collective Bargaining	For

Source: Northern Trust Asset Management.



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — POLITICAL SPENDING

Company	Country	Type of shareholder proposal	Vote
Abbott Laboratories	U.S.	Report on Lobbying Payments and Policy	For
AbbVie Inc.	U.S.	Report on Congruency of Political Spending with Company Values and Priorities	For
AbbVie Inc.	U.S.	Report on Lobbying Payments and Policy	For
Alphabet Inc.	U.S.	Report on Lobbying Payments and Policy	For
Altria Group, Inc.	U.S.	Report on Congruency of Political Spending with Company Values and Priorities	For
Amphenol Corporation	U.S.	Report on Political Contributions and Expenditures	For
Bio-Rad Laboratories, Inc.	U.S.	Report on Political Contributions and Expenditures	For
Caesars Entertainment, Inc.	U.S.	Report on Political Contributions and Expenditures	For
Caterpillar Inc.	U.S.	Report on Lobbying Payments and Policy	For
Charter Communications, Inc.	U.S.	Report on Lobbying Payments and Policy	For
Comcast Corporation	U.S.	Report on Congruency of Political Spending with Company Values and Priorities	For
ConocoPhillips	U.S.	Report on Lobbying Payments and Policy	For
Douglas Emmett, Inc.	U.S.	Report on Lobbying Payments and Policy	For
DTE Energy Company	U.S.	Report on Lobbying Payments and Policy	For
Elevance Health, Inc.	U.S.	Annually Report Third Party Political Contributions	For
Eli Lilly and Company	U.S.	Adopt Policy to Require Third-Party Organizations to Annually Report Expenditures for Political Activities	Against
Eli Lilly and Company	U.S.	Publish Third-Party Review of Alignment of Company's Lobbying Activities with its Public Statements	For
Eli Lilly and Company	U.S.	Report on Lobbying Payments and Policy	For
HCA Healthcare, Inc.	U.S.	Report on Political Contributions and Expenditures	For
Hewlett Packard Enterprise Company	U.S.	Report on Lobbying Payments and Policy	For
Huntington Ingalls Industries, Inc.	U.S.	Report on Lobbying Payments and Policy	For
International Business Machines Corporation	U.S.	Report on Lobbying Payments and Policy	For
JPMorgan Chase & Co.	U.S.	Report on Political Expenditures Congruence	For
L3Harris Technologies, Inc.	U.S.	Report on Lobbying Payments and Policy	For
Leidos Holdings, Inc.	U.S.	Report on Political Expenditures Congruence	For

Company	Country	Type of shareholder proposal	Vote
Mastercard Incorporated	U.S.	Report on Lobbying Payments and Policy	For
McDonald's Corporation	U.S.	Issue Transparency Report on Global Public Policy and Political Influence	For
McDonald's Corporation	U.S.	Report on Lobbying Payments and Policy	For
Merck & Co., Inc.	U.S.	Adopt Policy to Require Third-Party Organizations to Annually Report Expenditures for Political Activities	Against
Meta Platforms, Inc.	U.S.	Report on Lobbying Payments and Policy	For
Microsoft Corporation	U.S.	Adopt a Policy Requiring Third Party Groups to Report Their Political Expenditures	Against
Northrop Grumman Corporation	U.S.	Report on Congruency of Political Spending with Company Stated Values on Human Rights	For
Paramount Global	U.S.	Report on Political Contributions and Expenditures	For
PepsiCo, Inc.	U.S.	Issue Transparency Report on Global Public Policy and Political Influence	For
Pfizer Inc.	U.S.	Report on Political Expenditures Congruence	For
Restaurant Brands International Inc.	Canada	Report on Lobbying Payments and Policy	For
Restaurant Brands International Limited Partnership	Canada	Report on Lobbying Payments and Policy	For
Stericycle, Inc.	U.S.	Report on Political Contributions	For
Stride, Inc.	U.S.	Report on Lobbying Payments and Policy	For
Stryker Corporation	U.S.	Report on Political Contributions and Expenditures	For
The Boeing Company	U.S.	Report on Lobbying Payments and Policy	For
The Cigna Group	U.S.	Report on Congruency of Political Spending with Company Values and Priorities	For
The Coca-Cola Company	U.S.	Issue Transparency Report on Global Public Policy and Political Influence	For
The Coca-Cola Company	U.S.	Report on Congruency of Political Spending with Company Values and Priorities	For
The Goldman Sachs Group, Inc.	U.S.	Report on Lobbying Payments and Policy	For
The Home Depot, Inc.	U.S.	Report on Political Expenditures Congruence	For
The Walt Disney Company	U.S.	Report on Political Expenditures	For

Source: Northern Trust Asset Management.

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — POLITICAL SPENDING (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
The Wendy's Company	U.S.	Report on Lobbying Payments and Policy	For
UnitedHealth Group Incorporated	U.S.	Report on Congruency of Political Spending with Company Values and Priorities	Abstain
Verizon Communications Inc.	U.S.	Adopt a Policy Prohibiting Direct and Indirect Political Contributions to Candidates	Against
Warner Bros. Discovery, Inc.	U.S.	Report on Lobbying Payments and Policy	For
Wells Fargo & Company	U.S.	Report on Political Expenditures Congruence	For
Yum! Brands, Inc.	U.S.	Report on Lobbying Payments and Policy	For

SOCIAL — BOARD DIVERSITY

Company	Country	Type of shareholder proposal	Vote
Caesars Entertainment, Inc.	U.S.	Disclose Board Skills and Diversity Matrix	Against
Capital One Financial Corporation	U.S.	Disclose Board Skills and Diversity Matrix	For
Las Vegas Sands Corp.	U.S.	Disclose Board Skills and Diversity Matrix	For
NextEra Energy, Inc.	U.S.	Disclose Board Skills and Diversity Matrix	For
Red Rock Resorts, Inc.	U.S.	Report on Board Diversity	For
Suruga Bank Ltd.	Japan	Amend Articles to Stipulate that Female Directors Shall Account for at least 30 Percent of the Board	Against
Weis Markets, Inc.	U.S.	Report on Board Diversity	For

SOCIAL — MISCELLANEOUS/OTHER

Company	Country	Type of shareholder proposal	Vote
Alphabet Inc.	U.S.	Disclose More Quantitative and Qualitative Information on Algorithmic Systems	For
Amazon.com, Inc.	U.S.	Publish a Tax Transparency Report	Against
Chevron Corporation	U.S.	Publish a Tax Transparency Report	Against
Cisco Systems, Inc.	U.S.	Report on Tax Transparency Set Forth in the Global Reporting Initiative's Tax Standard	Against
ConocoPhillips	U.S.	Report on Tax Transparency	For
Dollar Tree, Inc.	U.S.	Report on Economic and Social Risks of Compensation and Workforce Practices and Any Impact on Diversified Shareholders	Against
Eli Lilly and Company	U.S.	Report on Risks of Supporting Abortion	For
Etsy, Inc.	U.S.	Commission Independent Review of Effectiveness of Efforts to Prevent Harassment and Discrimination	For
Exxon Mobil Corporation	U.S.	Publish a Tax Transparency Report	Against
Mastercard Incorporated	U.S.	Report on Establishing Merchant Category Code for Gun and Ammunition Stores	Against
Meta Platforms, Inc.	U.S.	Report on Enforcement of Community Standards and User Content	For
Microsoft Corporation	U.S.	Publish a Tax Transparency Report	Against
Restaurant Brands International Inc.	Canada	Report on Risks to Business Due to Increased Labor Market Pressure	Against
Restaurant Brands International Limited Partnership	Canada	Report on Risks to Business Due to Increased Labor Market Pressure	Against
The Travelers Companies, Inc.	U.S.	Ensure Policies Do Not Support Police Violations of Civil Rights	Abstain

SOCIAL — WEAPONS

Company	Country	Type of shareholder proposal	Vote
BlackRock, Inc.	U.S.	Report on Societal Impacts of Aerospace & Defense Industry ETF	For
Microsoft Corporation	U.S.	Report on Risks of Weapons Development	Against
Sturm, Ruger & Company, Inc.	U.S.	Report Assessing Risks Related to Marketing Practices of Firearms	For

Source: Northern Trust Asset Management.

APPENDIX 3

Northern Trust Asset Management Engagements by Company

A – B

Company name	Country	Region	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – Environment S – Social G – Governance R – Risk and Business Strategy	Highest milestone achieved	UN Sustainable Development Goals linked to campaign objective
3M Company	U.S.	North America	Industrials	Yes	1	Direct	E,R		2 6 14 16
Accenture Plc	U.S.	North America	Information Technology	No	1	Direct	R		16
Adani Energy Solutions Ltd	India	APAC	Utilities	No	1	Direct	E		7 9 12 13
Adani Green Energy Limited	India	APAC	Utilities	No	1	Direct	E		7 9 12 13
adidas AG	Germany	EMEA	Consumer Discretionary	No	1	Direct	S		8 10
Advantest Corp.	Japan	APAC	Information Technology	No	1	Direct	E,G,S	M2	5 7 8 9 10 12 13 16
Air Liquide SA	France	EMEA	Materials	No	1	Direct	E,S	M2	3 7 8 9 12 13
Airbus SE	France	EMEA	Industrials	No	1	Direct	E	M2	7 9 12 13 16
Alibaba Group Holding Limited	Hong Kong	APAC	Consumer Discretionary	Yes	1	Direct	G,S	M2	5 10 16
Alphabet Inc.	U.S.	North America	Communication Services	Yes	2	Direct	E,G,R,S	M2	8 10 11 13 16
Altria Group, Inc.	U.S.	North America	Consumer Staples	Yes	1	Direct	E,S		2 6 8 10 13 14 15
Amazon.com, Inc.	U.S.	North America	Consumer Discretionary	Yes	2	Direct	E,G,R,S		3 5 6 8 10 12 13 14 15 16
ANTA Sports Products Ltd.	Hong Kong	APAC	Consumer Discretionary	No	1	Direct	E,G,S	M2	2 5 8 10 13 15 16
Apple Inc.	U.S.	North America	Information Technology	Yes	1	Direct	S		8
Applied Materials, Inc.	U.S.	North America	Information Technology	Yes	1	Direct	G		16
Archer-Daniels-Midland Company	U.S.	North America	Consumer Staples	Yes	1	Direct	E		2 6 14
Axos Financial, Inc.	U.S.	North America	Financials	No	1	Direct	G		16
Bank of America Corp	U.S.	North America	Financials	Yes	1	Direct	E,G,R,S		7 8 9 10 11 12 13 16
BASF SE	Germany	EMEA	Materials	No	1	Direct	E,G,S	M2	3 7 8 9 12 13 16
Bayer AG	Germany	EMEA	Health Care	Yes	1	Collaborative	E	M4	3 7 9 12 13 16
Beijing Enterprises Holdings Limited	Hong Kong	APAC	Utilities	No	1	Direct	G,R,S	M2	5 8 10 11 16
BHP Group Ltd	Australia	APAC	Materials	No	1	Direct	E,S	M2	7 8 9 10 11 12 13
BlackRock, Inc.	U.S.	North America	Financials	Yes	1	Direct	G,R		5 10 16
Boeing Company	U.S.	North America	Industrials	Yes	2	Direct	E,G,R,S		5 10 13 16



APPENDIX 3: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

B – F

Company name	Country	Region	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – Environment S – Social G – Governance R – Risk and Business Strategy	Highest milestone achieved	UN Sustainable Development Goals linked to campaign objective
Brenntag SE	Germany	EMEA	Industrials	No	1	Direct	G	M2	16
Broadcom Inc.	U.S.	North America	Information Technology	Yes	2	Direct	E,G,R,S		2 3 6 8 14 16
Celltrion, Inc.	South Korea	APAC	Health Care	No	1	Direct	G,R	M2	16
Central Japan Railway Company	Japan	APAC	Industrials	No	1	Direct	E,G	M2	5 7 9 10 12 13 16
CEZ as	Czech Republic	EMEA	Utilities	No	1	Collaborative	E	M4	7 9 12 13
CF Industries Holdings, Inc.	U.S.	North America	Materials	No	1	Direct	E,G		5 7 9 10 12 13 16
Check Point Software Technologies Ltd.	U.S.	North America	Information Technology	No	1	Direct	G,R,S	M2	8 10 16
China Construction Bank Corporation	Hong Kong	APAC	Financials	No	1	Direct	G,R,S	M2	5 10 16
China Mengniu Dairy Co., Ltd.	Hong Kong	APAC	Consumer Staples	No	1	Direct	E,G,S	M2	2 5 6 7 8 9 10 12 13 14 16
China Merchants Port Holdings Co., Ltd.	Hong Kong	APAC	Industrials	No	1	Direct	G,R	M2	5 10 16
China Steel Corporation	Taiwan	APAC	Materials	No	1	Direct	E,G,S	M2	5 7 8 9 10 12 13 16
Citigroup Inc.	U.S.	North America	Financials	Yes	1	Direct	G		16
Coles Group Ltd.	Australia	APAC	Consumer Staples	No	1	Direct	E,G,R,S	M2	3 5 7 8 9 10 12 13 15 16
ConocoPhillips	U.S.	North America	Energy	Yes	2	Direct	E,G,S		5 10 13 16
Costco Wholesale Corporation	U.S.	North America	Consumer Staples	Yes	1	Direct	E		13 15
CRH public limited company	United Kingdom	EMEA	Materials	No	1	Direct	E	M2	2 6 7 9 12 13 14 15
Daiwa House Industry Co., Ltd.	Japan	APAC	Real Estate	No	1	Direct	G,S	M2	5 8 10 16
Devon Energy Corporation	U.S.	North America	Energy	Yes	1	Direct	E	M2	2 6 14
DexCom, Inc.	U.S.	North America	Health Care	No	1	Direct	E,G,S	M2	2 5 6 10 14 16
Douglas Emmett, Inc	U.S.	North America	Real Estate	No	1	Direct	G,S		12 16
Dow, Inc.	U.S.	North America	Materials	No	1	Direct	E,G		2 6 14 16
Edwards Lifesciences Corporation	U.S.	North America	Health Care	Yes	1	Direct	G		16
Enel SpA	Italy	EMEA	Utilities	Yes	1	Direct	E		7 13
ENGIE SA.	France	EMEA	Utilities	Yes	1	Direct	E,G,S	M2	3 7 8 9 12 13 16
EOG Resources, Inc.	U.S.	North America	Energy	Yes	2	Direct	E,G,R	M2	2 6 7 9 12 13 14 16
Equinix, Inc.	U.S.	North America	Real Estate	Yes	1	Direct	E		2 6 14 15
EssilorLuxottica SA	France	EMEA	Health Care	Yes	1	Direct	G,S	M2	8 16
Exxon Mobil Corporation	U.S.	North America	Energy	Yes	1	Direct	E		2 6 14
FirstEnergy Corp.	U.S.	North America	Utilities	Yes	1	Direct	E,G	M2	7 9 12 13 16
Fortescue Ltd	Australia	APAC	Materials	No	1	Direct	E,G,S	M3	2 6 7 8 9 10 12 13 14 16



APPENDIX 3: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

F – M

Company name	Country	Region	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – Environment S – Social G – Governance R – Risk and Business Strategy	Highest milestone achieved	UN Sustainable Development Goals linked to campaign objective
Freeport-McMoRan, Inc.	U.S.	North America	Materials	Yes	1	Direct	E	M2	2 6 14
FUJIFILM Holdings Corp	Japan	APAC	Information Technology	No	1	Direct	E,G,S	M2	5 7 8 9 10 12 13 16
Glencore plc	United Kingdom	EMEA	Materials	No	1	Direct	E	M2	7 9 12 13 16
H&M Hennes & Mauritz AB	Sweden	EMEA	Consumer Discretionary	No	1	Direct	S	M2	8 10
Hang Lung Properties Limited	Hong Kong	APAC	Real Estate	No	1	Direct	E,G,R	M2	5 10 13 16
Hawaiian Electric Industries, Inc.	U.S.	North America	Utilities	No	1	Direct	E		2 6 14
HCA Healthcare Inc	U.S.	North America	Health Care	No	1	Direct	E		14 15
HDFC Bank Limited	India	APAC	Financials	No	1	Direct	S		8 10
Hon Hai Precision Industry Co., Ltd.	Taiwan	APAC	Information Technology	No	1	Direct	E,G,S	M2	3 7 8 9 10 12 13 16
Honeywell International Inc.	U.S.	North America	Industrials	Yes	2	Direct	G,S		8 10 11 16
HOYA CORPORATION	Japan	APAC	Health Care	No	1	Direct	E,G,S	M2	2 5 6 7 8 9 10 12 13 14 16
Iberdrola SA	Spain	EMEA	Utilities	No	1	Direct	E,G	M2	7 9 12 13 16
Impala Platinum Holdings Limited	South Africa	EMEA	Materials	No	1	Direct	E,G,S	M2	3 7 8 9 12 13 16
Japan Tobacco Inc.	Japan	APAC	Consumer Staples	No	1	Direct	E,G,S	M2	7 8 9 12 13 15 16
JPMorgan Chase & Co.	U.S.	North America	Financials	Yes	2	Direct	E,G,R,S		7 9 12 13 16
Kimberly-Clark Corporation	U.S.	North America	Consumer Staples	Yes	1	Direct	E		2 6 14
Kroger Co.	U.S.	North America	Consumer Staples	Yes	2	Direct	E,S		2 6 7 8 10 11 13 14 15
Lam Research Corporation	U.S.	North America	Information Technology	Yes	1	Direct	E		2 6 14
Lasertec Corp.	Japan	APAC	Information Technology	No	1	Direct	E,G,S	M2	5 7 8 9 10 12 13 16
Lenovo Group Limited	Hong Kong	APAC	Information Technology	Yes	1	Direct	G,R	M2	5 10 16
LG Chem Ltd.	South Korea	APAC	Materials	No	1	Direct	E,G,S	M2	2 3 6 7 8 9 12 13 14 16
Li Auto, Inc.	Hong Kong	APAC	Consumer Discretionary	No	1	Direct	E,G,R,S	M2	5 8 10 13 16
Link Real Estate Investment Trust	Hong Kong	APAC	Real Estate	No	1	Direct	E,G,S	M2	2 5 6 7 8 9 10 12 13 14 16
Macquarie Group, Ltd.	Australia	APAC	Financials	Yes	1	Direct	G	M2	16
Mahindra & Mahindra Ltd.	India	APAC	Consumer Discretionary	No	1	Direct	E,G,S	M2	7 8 9 10 12 13 16
Marriott International, Inc.	U.S.	North America	Consumer Discretionary	Yes	1	Direct	E,S		2 6 8 10 11 12 13 14 15
McDonald's Corporation	U.S.	North America	Consumer Discretionary	Yes	1	Direct	E,G,S		8 13 15 16
Meituan	Hong Kong	APAC	Consumer Discretionary	No	1	Direct	E,G,R,S	M2	5 7 9 10 12 13 16
Mercedes-Benz Group AG	Germany	EMEA	Consumer Discretionary	Yes	1	Direct	E,G,S	M2	7 8 9 12 13 16



APPENDIX 3: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

M–Q

Company name	Country	Region	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – Environment S – Social G – Governance R – Risk and Business Strategy	Highest milestone achieved	UN Sustainable Development Goals linked to campaign objective
Meta Platforms Inc	U.S.	North America	Communication Services	Yes	1	Direct	G,R,S		5 10 16
MetLife, Inc.	U.S.	North America	Financials	Yes	1	Direct	E,R		7 9 12 13 16
Microchip Technology Incorporated	U.S.	North America	Information Technology	Yes	1	Direct	E,S		2 6 8 10 14
Microsoft Corporation	U.S.	North America	Information Technology	Yes	2	Direct	R,S		8 11 16
Mitsubishi Corporation	Japan	APAC	Industrials	No	1	Direct	E,G,S	M2	3 5 8 10 13 15 16
Mitsui & Co.,Ltd	Japan	APAC	Industrials	No	1	Direct	E,G,S	M2	5 7 8 9 10 12 13 16
Mondelez International, Inc.	U.S.	North America	Consumer Staples	Yes	1	Direct	E,G	M2	13 15 16
Naspers Limited	South Africa	EMEA	Consumer Discretionary	No	1	Direct	G,R,S	M2	5 10 16
National Australia Bank Limited	Australia	APAC	Financials	Yes	1	Direct	E,R,S	M2	7 8 9 10 12 13 16
National Grid plc	United Kingdom	EMEA	Utilities	Yes	2	Both	E	M3	7 9 12 13 16
Nestle S.A.	Switzerland	EMEA	Consumer Staples	Yes	1	Direct	E,S	M2	8 10 13 15
Netease Inc	Hong Kong	APAC	Communication Services	No	1	Direct	G,S	M2	5 10 16
NextEra Energy, Inc.	U.S.	North America	Utilities	No	2	Direct	E,G		2 6 14 16
NIKE, Inc.	U.S.	North America	Consumer Discretionary	Yes	1	Direct	G,S		8 10 16
NIO Inc.	Hong Kong	APAC	Consumer Discretionary	No	1	Direct	E,G,S	M3	5 8 10 13 16
NIPPON STEEL CORP.	Japan	APAC	Materials	No	1	Direct	E,G,S	M2	3 5 7 8 9 10 12 13 16
Nippon Telegraph and Telephone Corporation	Japan	APAC	Communication Services	No	1	Direct	E,G,S	M2	5 7 9 10 12 13 16
Northrop Grumman Corp.	U.S.	North America	Industrials	Yes	1	Direct	G,S		3 8 11 12 16
NTPC Limited	India	APAC	Utilities	Yes	1	Direct	E		7 9 12 13
Palo Alto Networks, Inc.	U.S.	North America	Information Technology	No	1	Direct	G		16
PayPal Holdings, Inc.	U.S.	North America	Financials	Yes	1	Direct	R,S		8 10 16
Petroleo Brasileiro SA Pfd	Brazil	Latin America	Energy	No	1	Direct	E,G,S	M2	3 5 7 8 9 10 12 13 16
Phillips 66	U.S.	North America	Energy	Yes	2	Direct	E,G		6 7 9 12 13 14 15 16
Power Assets Holdings Limited	Hong Kong	APAC	Utilities	No	1	Direct	E,G,R	M2	2 5 6 7 9 10 12 13 14 16
Procter & Gamble Company	U.S.	North America	Consumer Staples	Yes	3	Direct	E,G,S	M2	2 6 8 10 13 14 15 16
Prologis, Inc.	U.S.	North America	Real Estate	No	1	Direct	E		2 6 14
Prudential Financial, Inc.	U.S.	North America	Financials	Yes	1	Direct	G		16
Qantas Airways Limited	Australia	APAC	Industrials	No	1	Direct	E,G,S	M2	7 8 9 10 12 13
QUALCOMM Incorporated	U.S.	North America	Information Technology	Yes	1	Direct	E		2 6 14 15



APPENDIX 3: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

R – T

Company name	Country	Region	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – Environment S – Social G – Governance R – Risk and Business Strategy	Highest milestone achieved	UN Sustainable Development Goals linked to campaign objective
Ralph Lauren Corporation	U.S.	North America	Consumer Discretionary	Yes	1	Direct	S		8 10
Realty Income Corporation	U.S.	North America	Real Estate	Yes	1	Direct	E		2 6 14
Reliance Industries Limited	India	APAC	Energy	Yes	2	Direct	E,G	M2	2 3 5 6 7 8 9 10 12 13 14 16
Rio Tinto Limited	Australia	APAC	Materials	No	1	Direct	E,S	M2	7 8 9 10 11 12 13 14 15
Rockwell Automation, Inc.	U.S.	North America	Industrials	Yes	1	Direct	G,R		5 10 16
RTX Corporation	U.S.	North America	Industrials	Yes	1	Direct	E,G		7 9 12 13 16
Sasol Limited	South Africa	EMEA	Materials	No	1	Direct	E,S	M2	3 7 8 9 12 13 14 15
Saudi Arabian Oil Co.	Saudi Arabia	EMEA	Energy	No	1	Direct	E,G,S	M2	2 3 5 6 7 8 9 10 12 13 14 16
Scentre Group	Australia	APAC	Real Estate	No	1	Direct	E,G,R,S	M2	5 7 8 9 10 12 13 16
Sekisui House, Ltd.	Japan	APAC	Consumer Discretionary	No	1	Direct	E,G,S	M2	3 5 8 10 13 16
Shell Plc	United Kingdom	EMEA	Energy	No	1	Direct	E,R	M2	7 9 12 13 16
Shin-Etsu Chemical Co Ltd	Japan	APAC	Materials	No	1	Direct	E,G,S	M2	3 5 7 8 9 10 12 13 16
Shinhan Financial Group Co., Ltd.	South Korea	APAC	Financials	No	1	Direct	G	M2	16
Sibanye Stillwater Limited	South Africa	EMEA	Materials	No	1	Direct	E,G,S	M2	3 7 8 9 10 12 13 16
SK Innovation Co., Ltd	South Korea	APAC	Energy	No	1	Direct	E,G,S	M2	2 6 7 8 9 12 13 14 16
SL Green Realty Corp.	U.S.	North America	Real Estate	No	1	Direct	G		16
SolarEdge Technologies, Inc.	U.S.	North America	Information Technology	No	1	Direct	G,S	M2	3 8 16
Sony Group Corporation	Japan	APAC	Consumer Discretionary	No	1	Direct	E,G,S	M2	5 7 8 9 10 12 13 15 16
South32 Ltd.	Australia	APAC	Materials	No	2	Both	E,G	M2	7 9 12 13 16
Southern Company	U.S.	North America	Utilities	Yes	2	Direct	E		2 6 7 9 12 13 14 15
Starbucks Corporation	U.S.	North America	Consumer Discretionary	Yes	2	Direct	E,S	M3	2 6 8 13 14 15
Sumitomo Corporation	Japan	APAC	Industrials	No	1	Direct	E,G,S	M2	5 7 8 9 10 12 13 15 16
Sumitomo Mitsui Financial Group, Inc.	Japan	APAC	Financials	Yes	1	Direct	E,G,S	M2	7 9 12 13 16
Sunny Optical Technology (Group) Co., Ltd.	Hong Kong	APAC	Information Technology	No	1	Direct	G,S	M2	5 8 10 16
Telefonaktiebolaget LM Ericsson	Sweden	EMEA	Information Technology	Yes	1	Direct	G,R	M2	16
Tencent Holdings Ltd.	Hong Kong	APAC	Communication Services	No	1	Direct	G,R,S	M2	5 8 10 16
Tokyo Electron Ltd.	Japan	APAC	Information Technology	No	1	Direct	E,G,S	M2	2 3 5 6 8 10 14 16



APPENDIX 3: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

T – Z

Company name	Country	Region	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – Environment S – Social G – Governance R – Risk and Business Strategy	Highest milestone achieved	UN Sustainable Development Goals linked to campaign objective
TotalEnergies SE	France	EMEA	Energy	Yes	2	Direct	E,R,S	M2	6 7 8 9 10 11 12 13 14 15 16
Toyota Industries Corp.	Japan	APAC	Industrials	No	1	Direct	E,G,S	M2	3 5 7 8 9 10 12 13 16
UBS Group AG	Switzerland	EMEA	Financials	Yes	1	Direct	G	M2	16
UltraTech Cement Limited	India	APAC	Materials	No	1	Collaborative	E		7 9 12 13
Unilever PLC	United Kingdom	EMEA	Consumer Staples	Yes	1	Direct	G	M2	16
Union Pacific Corporation	U.S.	North America	Industrials	Yes	1	Direct	E,G,R,S		3 7 8 9 12 13 16
United Parcel Service, Inc.	U.S.	North America	Industrials	Yes	1	Direct	G,R,S		3 8 16
UnitedHealth Group Incorporated	U.S.	North America	Health Care	Yes	2	Direct	G,S		8 10 11 12 16
UPM-Kymmene Oyj	Finland	EMEA	Materials	Yes	1	Direct	E,G		12 13 14 15 16
US Foods Holding Corp.	U.S.	North America	Consumer Staples	No	1	Direct	E		2 7 9 12 13 15
Vale S.A.	Brazil	Latin America	Materials	Yes	1	Direct	E,G,S	M2	3 5 7 8 10 11 13 16
Valero Energy Corporation	U.S.	North America	Energy	Yes	2	Both	E,G,S		7 8 9 10 11 12 13 16
Vedanta Limited	India	APAC	Materials	No	1	Direct	E,G,S	M2	3 7 8 9 12 13 16
Vulcan Materials Company	U.S.	North America	Materials	Yes	1	Direct	S		3 5 8 10
Walmart Inc.	U.S.	North America	Consumer Staples	Yes	1	Direct	E,S		8 13 15
Wilmar International Limited	Singapore	APAC	Consumer Staples	No	1	Direct	E,G,S	M2	3 7 8 9 10 11 12 13 16
Wolters Kluwer N.V.	Netherlands	EMEA	Industrials	Yes	1	Direct	G		5 10 16
Woodside Energy Group Ltd	Australia	APAC	Energy	No	1	Direct	E	M2	7 9 12 13
Xcel Energy Inc.	U.S.	North America	Utilities	Yes	1	Direct	E,S		2 6 8 10 11 14
Yum China Holdings, Inc.	U.S.	North America	Consumer Discretionary	No	2	Direct	E,G,S	M2	2 7 8 9 12 13 15 16
Zhen Ding Technology Holding Limited	Taiwan	APAC	Information Technology	No	1	Direct	E,G,S	M2	5 7 8 10 13 16

APPENDIX 4

Participation in Organizations

Organization	How We Participate
Canadian Investor Statement on Diversity and Inclusion	Signatory
Climate Action 100+	Signatory
Farm Animal Investment Risk & Return Initiative (FAIRR)	Signatory
Net Zero Asset Manager Initiative	Signatory
One Planet Asset Managers Initiative	Signatory
Financial Reporting Council — UK Stewardship Code 2020	Signatory
New Zealand Stewardship Code	Signatory
DCIIA DEI Sub Committee	Member
Human Capital Management Coalition	Member
Ceres Investor Network on Climate Risk and Sustainability	Member
Global Real Estate Sustainability Benchmark (GRESB)	Member
Investor Stewardship Group (ISG)	Member
IFRS Sustainability Alliance (member of the Investors Advisor Group and Standards Advisory Group)	Member

Organization	How We Participate
PRI Advance	Member
DCIIA ESG Sub Committee	Member
Responsible Investment Association Australasia	Member
Institutional Investor Group on Climate Change (IIGCC)	Member
Investment Company Institute ESG subcommittees	Member
Valuing Water Financing Initiative	Member
Institutional Investor Group on Climate Change (IIGCC) net zero engagement initiative	Member
Task Force on Climate-related Financial Disclosures (TCFD)	Disclosure
Principles for Responsible Investing (PRI)	Disclosure
Council of Institutional Investors (CII)	Associate member
Dutch Stewardship Code	Aligned
Hong Kong Stewardship Code	Aligned

APPENDIX 5

Mapping With the New Zealand Stewardship Code

PRINCIPLE	Requirements	Pages
Principle 1 Be committed	Signatories will establish and publicly articulate how their investment philosophy, governance structures and resourcing support the goals of effective stewardship.	6–13, 16–25, 29, 44–45
Principle 2 Establish and maintain policies	Signatories will develop and implement measurable and effective stewardship policies.	13, 17, 47–48, 52–56
Principle 3 Incorporate material ESG matters	Signatories will incorporate material ESG matters into their investment decisions and stewardship practices.	38–41, 53–56, 64
Principle 4 Be engaged	Signatories will engage regularly and effectively with underlying asset managers, issuers, and other key stakeholders.	14–15, 41–42, 45, 47, 63–80, 81–90, 91–95, 132–137
Principle 5 Vote responsibly	Signatories will exercise voting rights in accordance with their investment mandate, and regularly and transparently disclose voting actions and outcomes.	14–15, 96–105, 108–131
Principle 6 Manage conflicts of interest	Signatories will endeavour to avoid any conflict of interest that does not put the best interests of their clients and beneficiaries first and explain their approach to managing any conflicts of interest that arise.	17, 26–36, 45, 62, 105
Principle 7 Collaborate and advocate for change	Signatories will work collaboratively to amplify investor influence on ESG matters with issuers, policy makers, index providers, standard setters, and other key stakeholders.	41–42, 81–90
Principle 8 Measure and report	Signatories will regularly measure and publicly report on their actions to support stewardship and demonstrate how these have contributed to the goals of effective stewardship.	4, 45, 47, 51, 98, 102–105
Principle 9 Educate and improve	Signatories will work to improve their clients' and beneficiaries' awareness of stewardship, improve their internal capabilities, and provide resources to deliver impactful stewardship.	43–45, 48, 60, 62, 101–102

How helpful was
this report?



Assurance: This report has been reviewed and approved by NTAM's Proxy Committee (as a governance body), NTAM's ESG Disclosure Council, and the Northern Trust Corporation's Disclosure Committee.

ABOUT SUSTAINABLE INVESTING

At Northern Trust Asset Management ("NTAM"), we define Sustainable Investing as encompassing all of NTAM's investment strategies and accounts that utilize values-based and norms-based screens, best-in-class and ESG integration, or thematic investing that may focus on a specific ESG issue such as climate risk. NTAM's Sustainable Investing includes portfolios designed by NTAM as well as those portfolios managed to client-defined methodologies or screens. As the data, analytical models and aforementioned portfolio construction tools available in the marketplace have evolved over time, so too has NTAM. NTAM's Sustainable Investing encompasses strategies and client assets managed in accordance with client-specified responsible investing terms (historically referred to as Socially Responsible), as well as portfolios that leverage contemporary approaches and datasets, including ESG analytics and ESG thematic investing.

ABOUT THE RANKINGS AND AWARDS SHOWN

Past performance is not indicative of future results.

ShareAction report "Voting Matters," 1/11/2024. Northern Trust Asset Management ranked 33rd overall globally and 2nd among U.S. Index asset managers. *ShareAction* ranked asset managers from IPE's 2023 top 500 asset managers based on the following criteria: largest 35 asset managers based on AUM, next largest 34 European asset managers based on AUM, next largest 10 U.K. asset managers based on AUM.

Pensions & Investments — Unless otherwise noted, rankings were published in *Pensions & Investments* magazine's "2023 Special Report on the Largest Money Managers," and are based on 12/31/2022 AUM. Rankings are calculated based on 434 investment management firms responding to *P&I*'s online questionnaire. To qualify for inclusion in the rankings, each firm must manage assets for U.S. institutional tax-exempt clients, such as qualified retirement plans, endowments or foundations, and answer the minimum required questions. Multi-Manager ranking appeared in "Special Report: Investment Outsourcing," 7/17/2023 based on *P&I* data as of 3/31/2023.

IMPORTANT INFORMATION

Northern Trust Asset Management (NTAM) is composed of Northern Trust Investments, Inc., Northern Trust Global Investments Limited, Northern Trust Fund Managers (Ireland) Limited, Northern Trust Global Investments Japan, K.K., NT Global Advisors, Inc., 50 South Capital Advisors, LLC, Northern Trust Asset Management Australia Pty Ltd, and investment personnel of The Northern Trust Company of Hong Kong Limited and The Northern Trust Company.

Issued in the United Kingdom by Northern Trust Global Investments Limited regulated by the Financial Conduct Authority (Licence Number 191916), issued in the European Economic Area (“EEA”) by Northern Trust Fund Managers (Ireland) Limited regulated by the Central Bank of Ireland (Licence Number C21810), issued in Australia by Northern Trust Asset Management (Australia) Limited (ACN 648 476 019) which holds an Australian Financial Services Licence (License Number: 529895) and is regulated by the Australian Securities and Investments Commission (ASIC), and issued in Hong Kong by The Northern Trust Company of Hong Kong Limited which is regulated by the Hong Kong Securities and Futures Commission.

This information is directed to institutional, professional and wholesale current or prospective clients or investors only and should not be relied upon by retail clients or investors. The information is not intended for distribution or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation. NTAM may have positions in and may effect transactions in the markets, contracts and related investments different than described in this information. This information is obtained from sources believed to be reliable, its accuracy and completeness are not guaranteed, and is subject to change. Information does not constitute a recommendation of any investment strategy, is not intended as investment advice and does not take into account all the circumstances of each investor.

This report is provided for informational purposes only and is not intended to be, and should not be construed as, an offer, solicitation or recommendation with respect to any transaction and should not be treated as legal advice, investment advice or tax advice. Recipients should not rely upon this information as a substitute for obtaining specific legal or tax advice from their own professional legal or tax advisors. References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. Indices and trademarks are the property of their respective owners. Information is subject to change based on market or other conditions.

All securities investing and trading activities risk the loss of capital. Each portfolio is subject to substantial risks including market risks, strategy risks, advisor risk, and risks with respect to its investment in other structures. There can be no assurance that any portfolio investment objectives will be achieved, or that any investment will achieve profits or avoid incurring substantial losses. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Risk controls and models do not promise any level of performance or guarantee against loss of principal. Any discussion of risk management is intended to describe NTAM’s efforts to monitor and manage risk but does not imply low risk.

Past performance is not a guarantee of future results. Performance returns and the principal value of an investment will fluctuate. Performance returns contained herein are subject to revision by NTAM. Comparative indices shown are provided as an indication of the performance of a particular segment of the capital markets and/or alternative strategies in general. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index. Net performance returns are reduced by investment management fees and other expenses relating to the management of the account. Gross performance returns contained herein include reinvestment of dividends and other earnings, transaction costs, and all fees and expenses other than investment management fees, unless indicated otherwise. For U.S. NTI prospects or clients, please refer to Part 2a of the Form ADV or consult an NTI representative for additional information on fees.

Forward-looking statements and assumptions are NTAM’s current estimates or expectations of future events or future results based upon proprietary research and should not be construed as an estimate or promise of results that a portfolio may achieve. Actual results could differ materially from the results indicated by this information.

An Environmental, Social and Governance (ESG) strategy’s use of ESG factors and screening process may screen out certain companies and industries and/or affect exposures to certain companies or industries. An ESG strategy utilizes ESG analytics as a risk mitigation tool not as an alpha driver and may cause the strategy to forego certain investment opportunities. Investors can integrate ESG data to create a more holistic view of risks and opportunities — resulting in more informed investment decisions and resilient portfolios.

Northern Trust Asset Management (NTAM) may utilize an environmental, social, and governance (ESG) framework in certain investment strategies. Considering ESG factors may result in reduced or increased exposure to certain companies or industries, which may cause the applicable strategy’s performance to be lower than that of strategies that do not consider ESG factors. In addition, the added cost of ESG-related diligence in assessing the ESG parameters of an investment may also reduce the profitability of an applicable strategy’s investments. There may also be different views of what it means for an issuer to have positive or negative ESG characteristics. There can be no guarantee that an NTAM’s determinations regarding an issuer’s ESG characteristics will be accurate, including whether any such ESG characteristics are financially material or immaterial; any such inaccuracies could adversely affect a strategy’s performance.

All data is as of December 31, 2023 unless otherwise stated.

© 2024 Northern Trust Corporation. Head Office: 50 South La Salle Street, Chicago, Illinois 60603 U.S.A.

I-080924-3781667-080925