

Northern Trust

# 2024 Task Force on Climate-related Financial Disclosures (TCFD) Index

# Task Force on Climate-related Financial Disclosures Index (TCFD) 2024

Northern Trust's Task Force on Climate-related Financial Disclosures (TCFD) Index has been prepared in alignment with recommendations from the TCFD, established by the Financial Stability Board (FSB), and presents Northern Trust's enterprise-wide approach to governance, strategy, risk management, and metrics and targets related to climate-related financial risks and opportunities.

It is based on information obtained, created and compiled for the fiscal year ended December 31, 2024 unless otherwise stated, and should be read alongside the [Northern Trust Sustainability Report \(2024\)](#), which provides narrative context, performance data and strategic initiatives related to climate and broader sustainability priorities.

Except where the context indicates otherwise, references to "Northern Trust," "enterprise," "organization," "we," "us," "our," "its" or similar terms mean Northern Trust Corporation and its subsidiaries on a consolidated basis.

The Index provides a forward-looking assessment of Northern Trust's climate resilience and strategic response to both physical and transition risks. The Index is intended to inform stakeholders including regulators, investors, and clients about our approach to managing climate-related financial risks and our commitment to sustainable growth.

Northern Trust recognizes the consolidation of the Task Force on Climate-related Financial Disclosures into the International Sustainability Standards Board (ISSB), including the International Financial Reporting Standard (IFRS) S2. We are actively preparing for future alignment with these standards, and while this Index aligns with the TCFD framework, we remain committed to evolving our disclosures in line with emerging global sustainability reporting requirements.

Northern Trust Asset Management (NTAM) publishes a standalone [TCFD Report](#) focused on climate-related risks and opportunities specific to its investment business. While there is overlap with this enterprise-level disclosure, particularly in governance and strategy, NTAM's report reflects the unique regulatory context, portfolio-level risks, and stewardship responsibilities of an asset manager. This enterprise-wide Index addresses broader corporate operations, including banking and asset servicing. Readers should view NTAM's disclosures as complementary but distinct, tailored to its role within the wider Northern Trust organization.

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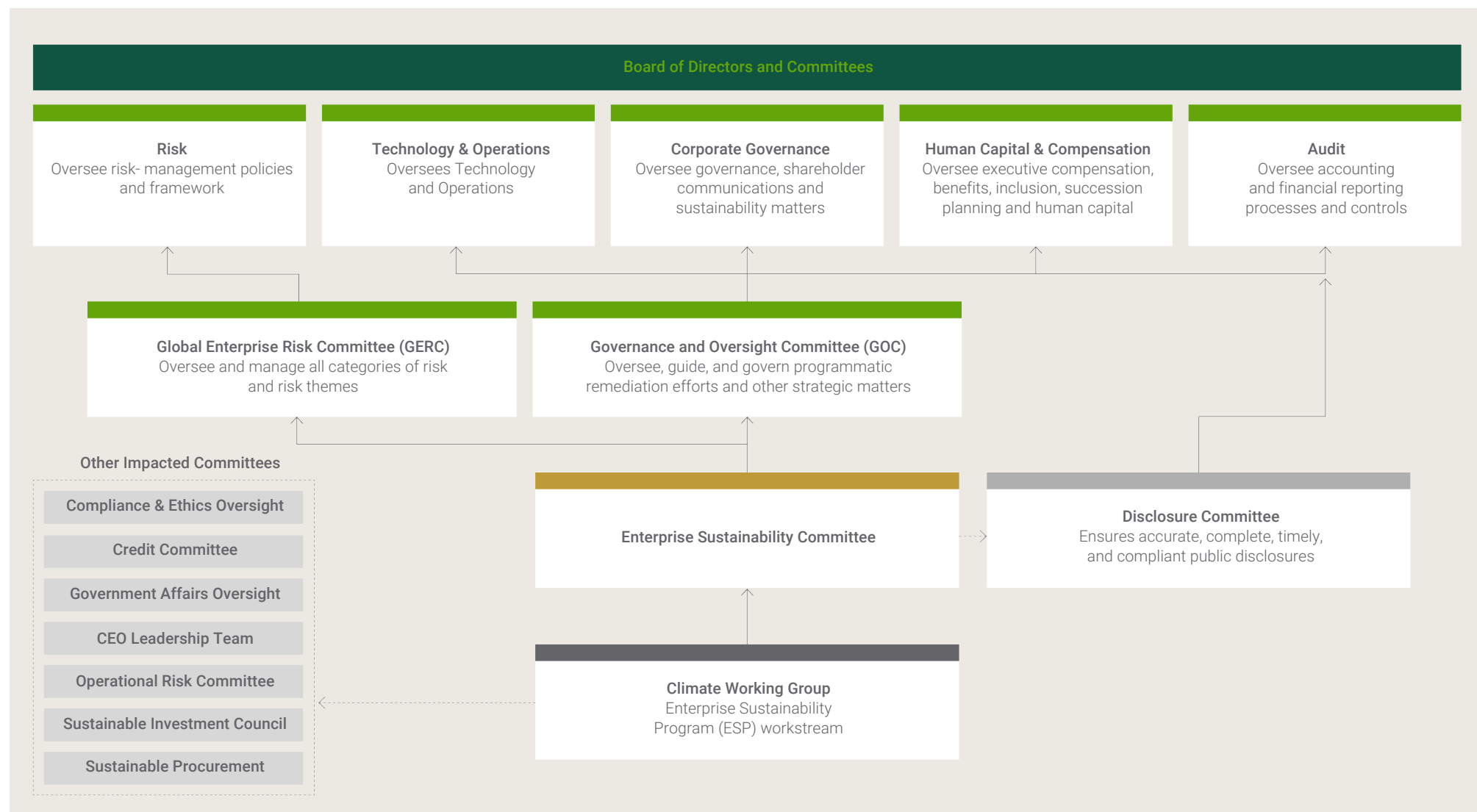
# Governance

Disclose the organization’s governance around climate-related risks and opportunities

Recommended Disclosure	Links
Describe the Board’s oversight of climate-related risks and opportunities	
<p>Northern Trust’s Board of Directors (“Board”) provides active and structured oversight of climate-related risks and opportunities, embedding these responsibilities within its overall governance framework. The Board and its committees are directly involved in the oversight of key sustainability and climate matters affecting the enterprise and its subsidiaries. Specifically:</p> <ul style="list-style-type: none"><li>• The Corporate Governance Committee is responsible for oversight of corporate governance practices, human rights, philanthropy, and sustainability, including climate-related issues. This committee receives regular updates on the progress of sustainability and climate initiatives and ensures alignment with the broader governance and accountability framework of the organization.</li><li>• The Risk Committee assists the Board in its oversight of risk management policies across global operations, the operation of our global risk management framework, and management’s procedures for identifying, measuring, aggregating and reporting on risks.</li><li>• The Human Capital and Compensation Committee oversees talent management and inclusion practices, which are integral to building organizational capacity to address climate and sustainability challenges.</li></ul> <p>The Board annually approves Northern Trust’s Risk Management Framework and Corporate Risk Appetite Statement, which include relevant climate driven risks. Board committees also receive regular briefings from management on the organization’s climate risk profile and progress toward climate-related goals. The enterprise sustainability strategy, which includes climate strategy, is presented to the Board annually at a minimum, with frequency determined by strategic relevance and emerging developments.</p>	<p><a href="#">2025 Proxy Statement, pages 18-19</a></p> <p><a href="#">2024 Annual Report on Form 10-K, page 87</a></p> <p><a href="#">2024 Sustainability Report, pages 14-17</a></p>
Describe management’s role in assessing and managing climate-related risks and opportunities.	
<p>Management at Northern Trust is responsible for the day-to-day assessment and management of climate-related risks and opportunities, with clear roles and accountability at multiple levels:</p> <ul style="list-style-type: none"><li>• The Head of Corporate Sustainability, Inclusion and Social Impact is responsible for the design and implementation of the enterprise sustainability strategy and chairs the Enterprise Sustainability Committee (ESC), which includes senior leaders from across the organization.</li><li>• The Chief Sustainability Officer reports directly to the Head of Corporate Sustainability, Inclusion and Social Impact and plays a central role in driving collaboration across the enterprise, ensuring that sustainability best practices are embedded to achieve strategic objectives.</li><li>• The Risk Management function sets the direction for enterprise risk management activities, provides aggregate oversight and reporting, and leads efforts to monitor and account for the impact of climate change on financial, non-financial, and regulatory risks. Within Risk Management, Northern Trust has a dedicated climate and sustainability risk unit, overseen by the Chief Climate and Sustainability Risk Officer who reports directly to the Chief Risk Officer.</li><li>• Business functions, including the Corporate Sustainability, Inclusion and Social Impact team, act as the first line of defense for protecting against environmental risks, supported by dedicated business risk management teams.</li></ul> <p>The Board and management are supported by a robust committee structure (including the Audit, Risk, Corporate Governance, Human Capital and Compensation Committees), as well as executive-level risk committees. These bodies ensure that climate-related risks and opportunities are integrated into strategic planning, risk management, and operational decision-making. Key climate risk committees include:</p> <ul style="list-style-type: none"><li>• The Disclosure Committee (DC), chaired by the General Counsel, ensures Northern Trust’s public disclosures are accurate, complete, and timely by reviewing key statements and directing changes as needed.</li><li>• The Enterprise Sustainability Committee (ESC), chaired by the Head of Corporate Sustainability, Inclusion and Social Impact, which reports into the Governance Oversight Committee (GOC), is a cross-functional group of senior leaders responsible for guiding and enabling the implementation of the sustainability agenda across the organization. The ESC works closely with a network of executive and non-executive working groups to drive progress, monitor performance, and ensure alignment with sustainability goals.</li><li>• The Global Enterprise Risk Committee (GERC), chaired by the Chief Risk Officer, reports to the Risk Committee. As Northern Trust’s senior executive risk body, GERC oversees all risk categories, providing guidance and an enterprise-wide perspective.</li><li>• The Climate Working Group (CWG) serves as the enterprise-wide body implementing the climate strategy and reports to the ESC. The CWG is responsible for implementation, measurement, monitoring and communication of our enterprise climate strategy. The CWG guides governance integration and disclosures while facilitating cross-functional collaboration, data quality improvements, and capacity building across the organization.</li></ul>	<p><a href="#">2024 Annual Report on Form 10-K, page 87</a></p> <p><a href="#">2024 Sustainability Report, pages 14-17</a></p>

# Governance

Disclose the organization's governance around climate-related risks and opportunities



# Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.

Recommended Disclosure			Links
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long terms.			
<p>Northern Trust regularly conducts Double Materiality Assessments (DMA) to identify key sustainability matters, including climate-related risks and opportunities, from both impact and financial perspectives. The 2024 DMA informed the development of preliminary climate change adaptation and mitigation considerations. This process incorporates input from stakeholders across the value chain and is mapped against our business strategy to address enterprise-wide risks and opportunities that could materially affect operations, clients, and financial performance.</p> <p>Climate-related risks and opportunities are evolving and can arise across multiple time horizons. For enterprise-wide risk management purposes, these horizons are defined as short-term (0-3 years), medium-term (4-10 years) and long-term (over 10 years). In line with climate risks being embedded within our risk management framework, these time horizons broadly align with our approach to enterprise-wide risk rating and materiality standards, ensuring consistent definitions across different risks.</p> <p>Climate risks can evolve over time horizons, impacted by changes in underlying physical and transition risk drivers:</p> <ul style="list-style-type: none"><li>• <b>Physical Risks:</b> Acute climate events such as floods, hurricanes, and wildfires may disrupt operations, resilience capabilities and the valuation of assets for the enterprise, its clients and third parties. Over time, chronic climate events such as rising sea levels and temperature shifts may affect asset valuations, insurance coverage, and client creditworthiness.</li><li>• <b>Transition Risks:</b> Shifts in policy, technology, and market preferences toward a lower-carbon economy can impact asset valuations, core costs (including energy) and client demand. At the same time, regulatory expectations, government policy and stakeholder scrutiny can increase compliance costs and reputational exposure.</li></ul> <p>We actively seek to mitigate the impact of climate-related risks on enterprise operations and activities. The table below provides examples of the identified climate related risks that could impact Northern Trust over the short-term. These risks could evolve over the medium and long-term.</p>			<p><a href="#">2024 Annual Report on Form 10-K, pages 30; 87</a></p> <p><a href="#">2024 Sustainability Report, pages 19-22</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 17-18</a></p>
Risk Type	Description	Examples of Physical and Transition Climate Risk Channels	Examples of our Approach to Climate Risk Mitigation
Credit Risk	Risk to interest income or principal from the failure of a borrower, issuer, or counterparty to perform on an obligation. The bulk of Northern Trust’s credit risk relates to loans, securities, and wholesale counterparty-related exposures, such as over-the-counter (OTC) derivatives and securities financing activities.	<p><b>Physical Risks:</b></p> <ul style="list-style-type: none"><li>• Reductions in the value of assets used as loan collateral after, or in expectation of future, physical damages from weather events.</li><li>• Negative impact of insurance pricing and availability, increasing the probability of default, resulting from increased costs from physical events on assets, including mortgages and commercial real estate.</li></ul> <p><b>Physical and Transition Risks:</b></p> <ul style="list-style-type: none"><li>• Increase in counterparty defaults where climate events or transition pressures negatively impact revenue, cash flow, or asset valuations.</li><li>• Reduction in the valuation of loans and issued instruments, including corporate, municipal and sovereign bonds, arising from the impacts of weather events and the transition to lower carbon economies on exposed industries, sectors and regions.</li></ul>	<p>Climate driven credit risks are explicitly included within the Corporate Credit Policy.</p> <p>External data sources are utilized to supplement internal assessment of climate impacts, including on loans and bonds.</p> <p>Identification and monitoring of real estate collateral and customers are increased within regions subject to significant weather events.</p> <p>Scenario exercises are undertaken to better understand credit risk vulnerabilities to extreme weather events.</p>



# Strategy

## continued

Recommended Disclosure				Links
Risk Type	Description	Examples of Physical and Transition Climate Risk Channels	Examples of our Approach to Climate Risk Mitigation	
Operational Risk	Risk of loss from inadequate or failed internal processes, human factors and systems, or from external events. It includes information technology and cybersecurity, compliance, fiduciary and legal risks, which under Northern Trust’s risk structure are governed and managed explicitly.	<b>Physical Risks:</b> <ul style="list-style-type: none"><li>• Service disruptions if extreme weather events impact Northern Trust’s core locations, including offices and data centers, staff availability, or the activities of key utilities and third-party suppliers.</li><li>• Higher insurance and repair costs after repeated weather events.</li></ul> <b>Transition Risks:</b> <ul style="list-style-type: none"><li>• Operational challenges from new climate data, models, and technology (e.g., controls to manage data quality issues).</li><li>• Risks associated with adhering to complex global disclosure requirements.</li></ul>	Resilience incidents (such as weather-related events) are tracked through business continuity plan activations, including any lessons learned and required plan updates. Incidents and losses are tracked by type, including weather-related incidents, to inform risk metrics and strengthen controls.  Additional vendor reviews and continuous monitoring is occurring, including geographic exposure and continuity capabilities across key processes.  Scenario analysis is leveraged for climate driven event simulations for key locations, informing resiliency plans.	
Compliance Risk	The risk of legal or regulatory sanctions, financial loss, or damage to reputation resulting from failure to comply with laws, regulations, rules, other regulatory requirements, or codes of conduct.	<b>Transition Risks:</b> <ul style="list-style-type: none"><li>• Non-compliance with evolving and diverging climate regulations across Northern Trust’s global jurisdictions, leading to fines or sanctions.</li><li>• Increased legal and compliance costs from fast-changing climate rules and regulatory scrutiny.</li><li>• Litigation, business loss or damage to reputation from misreporting, unmet climate commitments, greenwashing, or fiduciary challenges.</li></ul>	Climate related laws, rules and guidance are monitored across jurisdictions, with emerging requirements identified and routed into established change processes.  Sustainability-related product governance and marketing review is in place.  Targeted partner training and compliance communications reinforce new requirements across business and control functions.	
Strategic Risk	The vulnerability of the organization to internal or external developments that render corporate strategy ineffective or unachievable. Adverse developments which may affect the enterprise’s ability to maintain and generate new business opportunities or execute strategic objectives.	<b>Transition Risks:</b> Lack of evolving product opportunities, failing to meet client, investor, or regulatory requirements - potentially leading to lost business and reduced competitiveness.	Continuous monitoring of internal and external developments, including political drivers, within the strategic risk framework.  Processes to evolve business strategy and offerings where needed to support client demand, reflecting changing sector dynamics and risks.  Relationship and transaction reviews consider heightened risk factors, with enhanced due diligence.	
In addition to the risks outlined above, Northern Trust recognizes other climate-related risks, such as potential impacts on market and liquidity risk. Current analyses do not indicate climate as a likely material driver of these risks within Northern Trust books. However, we will continue to monitor these areas and undertake further work to assess potential future impacts.				
In addition to risks identified at the enterprise level, NTAM has completed its own analysis of both risks and opportunities that may impact its business over varying time horizons, encompassing both physical and transition risks. These are set out in the 2024 NTAM TCFD Report.				

# Strategy

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Recommended Disclosure	Links
<p><b>Opportunities:</b> Northern Trust continues to identify operational opportunities to reduce greenhouse gas emissions while enhancing efficiency and resilience. Recent initiatives include energy efficiency upgrades across owned facilities, such as LED lighting and building automation systems, and the expansion of Energy Management Systems (EMS) from Europe and the Middle East to North America. Looking ahead, preparations for ISO 14001 and ISO 50001 certification underscore our commitment to sustainable operations.</p> <p>Beyond operational improvements, Northern Trust sees broader opportunities to advance sustainability and create long-term value:</p> <ul style="list-style-type: none"> <li>• Support Client Initiatives: Develop investment portfolios that align with client sustainability objectives, including thematic strategies focused on resilience, energy, and infrastructure.</li> <li>• Enable Green Finance: Explore offerings in green bonds, sustainability-linked loans, and blended finance vehicles to mobilize capital for climate adaptation and mitigation projects.</li> <li>• Innovative Products and Services: Leverage analytics capabilities to provide deeper insights and transparency for clients, while exploring resilience scoring and climate stress testing tools.</li> <li>• Technology and Data Solutions: Leverage advanced data platforms and AI-driven analytics to deliver insights, enabling clients to manage climate risk and transition planning effectively.</li> </ul> <p>These opportunities align with our One Northern Trust strategy by strengthening resiliency, managing risk, optimizing growth, and driving productivity through technology and innovation.</p>	
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	
<p>Climate-related risks and opportunities are embedded in Northern Trust's business strategy and financial planning at the enterprise level. These include, but are not limited to:</p> <p><b>Business Impacts:</b></p> <ul style="list-style-type: none"> <li>• Climate risks can affect the value of client assets, the resilience of operations, and the company's reputation. For example, physical risks may disrupt business continuity or reduce the value of collateral, while transition risks could increase compliance costs or lead to stranded assets.</li> <li>• Opportunities include the ability to offer differentiated sustainable investment products, support clients in meeting their own climate goals, and leverage technology to provide advanced climate analytics and reporting.</li> </ul> <p><b>Strategic Response:</b></p> <ul style="list-style-type: none"> <li>• Northern Trust's One Northern Trust strategy explicitly includes "Strengthen Resiliency and Manage Risk" as a core pillar, with climate risk management increasingly integrated into the enterprise risk management framework.</li> <li>• We are advancing our climate strategy by setting operational emissions reduction targets, developing a climate transition plan, and measuring financed emissions from non-client investments.</li> <li>• Our Asset Management business uses sophisticated climate data and modelling to inform investment strategies and product offerings. Since 2022, NTAM has published a TCFD Report which provides details of their scenario analysis. The enterprise is working toward development and implementation of such leading practices over the coming years.</li> </ul> <p><b>Financial Planning:</b></p> <ul style="list-style-type: none"> <li>• Climate-related risks are considered in capital planning, stress testing, and scenario analysis. The Board's Risk Committee oversees capital management and resolution planning, helping to ensure identified material climate risks are factored into financial resilience assessments.</li> <li>• Investments in technology, data, and talent are being undertaken to enhance climate risk analytics, scenario modeling, and reporting capabilities.</li> <li>• Northern Trust has implemented a range of climate-focused investments including energy efficiency projects and the deployment of EMS projects.</li> </ul>	<p><a href="#">2024 Annual Report on Form 10-K, page 87</a></p> <p><a href="#">2024 Sustainability Report, pages 19-22</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 17-18</a></p>

Strategy  
continued

Recommended Disclosure	Links
Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
<p>Northern Trust aims to maintain a resilient business model capable of adapting to a range of plausible climate futures. To assist this, climate data and toolkits are being developed and utilized.</p> <p><b>Scenario Analysis:</b></p> <ul style="list-style-type: none"><li>• NTAM conducts annual climate scenario analysis using Network for Greening the Financial System (NGFS) scenarios, including “Hot House World” (business as usual), “Delayed Transition,” and “Net Zero 2050” (well below 2°C). These scenarios assess the resilience of portfolios to both transition and physical risks.</li><li>• At the enterprise level, Northern Trust is working to expand scenario analysis capabilities to inform enterprise risk management and strategic planning. This complements a number of focused exercises that have been undertaken across the enterprise. Examples of exercises undertaken include, but are not limited to:</li><li>• An enterprise-wide cross functional Climate Scenario Workshop was conducted to assess physical impacts on key operational sites. Using climate scenarios, the exercise explored trends in factors such as extreme heat days, higher maximum temperatures and frequency of precipitation events. These findings inform risk assessments, resiliency testing and strategic planning.</li><li>• A physical risk stress test assessed the potential future impact of increased heat, storms and floods on Northern Trust’s Florida credit and operational exposures. The exercise highlighted current models may underestimate future risks, and the value of enhanced climate risk data, adaptation planning, and ongoing monitoring.</li><li>• A hypothetical greenwashing scenario was undertaken, within which Northern Trust is fined for not identifying non-ESG-compliant securities in a fund leading to negative press and business loss. The exercise underscored the reputational and operational risks that could arise should relevant controls cease to be effective.</li></ul> <p><b>Strategic Adaptation:</b></p> <ul style="list-style-type: none"><li>• Our strategy is designed to be flexible and adaptive, with regular reviews of climate-related risks, opportunities, and performance. The Board and management receive regular updates on scenario analysis results and use these insights to inform business decisions, capital allocation, and risk appetite.</li><li>• Northern Trust’s forward-looking approach includes ongoing investment in data, tools, and talent to enhance climate risk management and reporting, as well as engagement with clients, regulators, and industry groups to stay ahead of emerging best practices.</li><li>• As a leading practice, Northern Trust will continue to utilize the robust scenario analysis and TCFD-aligned disclosures in NTAM’s business and continue to develop its enterprise-wide approach. This will further strengthen our ability to assess and manage climate-related risks and opportunities, and to help demonstrate the resilience of our strategy under a range of climate scenarios, including a 2°C or lower pathway.</li></ul>	<p><a href="#">2024 Sustainability Report, pages 19-22</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 19-30; 61</a></p>



# Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Recommended Disclosure	Links
Describe the organization’s processes for identifying and assessing climate-related risks.	
<p>Climate impacts drive some risks across the risk management framework. As a result, new approaches around data and models are required to address them. Embedding climate-related risks in risk frameworks is a multi-year process. Since 2022 Northern Trust has been investing in the development of these tools and processes.</p> <p>At the enterprise level, Northern Trust employs a risk management framework to identify and assess risks. This framework constitutes multiple elements, including a comprehensive risk inventory and a static taxonomy of risk categories. All identified risks inherent in Northern Trust’s business activities, including climate risk, are catalogued into categories such as credit, operational, fiduciary, compliance, liquidity, market, and strategic risk.</p> <p>Key steps in the identification and assessment process include:</p> <ul style="list-style-type: none"><li>• Risk Inventory: Northern Trust undertakes a top-down and bottom-up assessment to develop a list of the most material climate-driven risks across the enterprise, the Climate Risk Inventory. These risks are embedded across the risk taxonomy, where they are subject to the risk lifecycle process (including assessment, measurement, controls and reporting).</li><li>• Scenario Analysis and Stress Testing: We increasingly use scenario analysis and stress testing to gauge the potential impacts of both physical and transition risks on operations, credit portfolios, and financial performance. This includes employing forward-looking climate data and enhanced client information.</li><li>• Data and Tools: Northern Trust continues to enhance its technology and data capabilities to strengthen the quality and scope of climate risk analysis. Enterprise-wide tools, including climate scenario modelling, focused stress testing, and forward-looking climate datasets support the identification and assessment of these risks.</li><li>• Governance: The Chief Climate and Sustainability Risk Officer reports to the Chief Risk Officer and is supported by a dedicated climate and sustainability risk unit and lead approaches to embed individual and enterprise-wide climate-related risks within the risk management framework.</li></ul> <p>NTAM has implemented a detailed process for identifying and assessing climate-related risks at the portfolio level, including the use of proprietary ESG scores, engagement with investee companies, and scenario analysis using NGFS models. NTAM employs an integrated risk management framework with three interrelated elements:</p> <ul style="list-style-type: none"><li>• Comprehensive Risk Inventory: A detailed register of all risks faced by NTAM, including climate-related risks.</li><li>• Static Taxonomy of Risk Categories: Risks are classified into credit, operational, fiduciary, compliance, liquidity, market, and strategic risk categories. Climate risk is recognized as a driver across all these categories.</li><li>• Dynamic Taxonomy of Risk Themes: Material risks are also grouped into themes that span across categories and focus on business outcomes.</li></ul> <p>Identification and assessment of climate-related risks at NTAM is accomplished through:</p> <ul style="list-style-type: none"><li>• Scenario Analysis and Stress Testing: NTAM conducts annual climate scenario analysis using NGFS scenarios (e.g., Hot House World, Delayed Transition, Net Zero 2050) to assess the resilience of portfolios to both transition and physical risks. This analysis covers nearly all global listed equities, over two-thirds of corporate bonds, and over three-quarters of sovereign bonds in the portfolio.</li><li>• Materiality Assessment: NTAM considers the materiality and impact of climate risks based on investment style, regulatory impact, client guidelines, region, asset class, and holding period.</li><li>• Use of Proprietary and Third-Party Data: NTAM leverages a range of climate data providers and tools (e.g., Aladdin, Bloomberg, FactSet, MSCI ESG Research, Planetrics, S&amp;P Trucost, Sustainalytics) to identify and assess climate risks at the portfolio, sector, and security level.</li><li>• Stewardship and Engagement: The Stewardship Team proactively reviews climate risk exposure across investee companies and engages with companies where NTAM has material holdings and climate risk exposure, aiming to address key risks and improve disclosure.</li></ul>	<p><a href="#">2024 Annual Report on Form 10-K, pages 71-73; 87</a></p> <p><a href="#">2024 Sustainability Report, pages 14-17; 19-22</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 38-42</a></p>

# Risk Management

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Recommended Disclosure	Links
<b>Describe the organization's processes for managing climate related risks.</b>	
<p>Northern Trust remains committed to integrating climate considerations into its broader risk management framework, largely in light of: changes in climate driven factors to its business, and evolutions in regulatory, client and stakeholder priorities. Recognizing the far-reaching implications of climate change, we actively seek to mitigate the impact of our activities and collaborate with key stakeholders to drive sustainable solutions.</p> <p>Northern Trust manages climate-related risks through a combination of governance, policies, and operational controls:</p> <p><b>Three Lines of Defense Model:</b></p> <ul style="list-style-type: none"> <li>• First Line: Business functions, including the Corporate Sustainability, Inclusion and Social Impact team, are responsible for the identification and mitigation of climate risks, supported by dedicated business risk management experts.</li> <li>• Second Line: The Risk Management function sets the direction for risk management activities, provides aggregate oversight and reporting, and leads efforts to monitor and account for the impact of climate change on financial, non-financial, and regulatory risks. A dedicated Climate and Sustainability Risk Unit has been established within the Risk Management function 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. This function is led by the Chief Climate and Sustainability Risk Officer, reporting to the Chief Risk Officer.</li> <li>• Third Line: Audit Services evaluates the adequacy and adherence to policies, procedures and processes established by other lines of defense and completes assessments of the controls supporting sustainability-related activities.</li> </ul> <p><b>Risk Management Framework:</b></p> <ul style="list-style-type: none"> <li>• Climate impacts drive risks across the risk management framework. Northern Trust has undertaken a top-down and bottom-up assessment to develop a list of the most material climate-driven risks across the enterprise, the Climate Risk Inventory. These risks are embedded across the risk taxonomy, where they are subject to the risk lifecycle process (including assessment, measurement, controls and reporting).</li> <li>• Consideration is given to how aggregate climate risks could develop over time, and the tools required to monitor and understand these enterprise-wide risks. The Risk Committee and Corporate Governance Committee receive regular updates on the progress of Northern Trust's climate risk framework.</li> </ul> <p><b>Training and Capacity Building:</b></p> <ul style="list-style-type: none"> <li>• Northern Trust provides enterprise-wide and targeted training on climate-related risks, including specialized courses for senior leaders and client-facing teams. Specific training is also provided to employees that use multiple sources of external climate data. These steps help to ensure that climate risk awareness and management skills are embedded throughout the organization.</li> </ul> <p><b>Continuous Improvement:</b></p> <ul style="list-style-type: none"> <li>• Northern Trust continues to evolve its climate impact strategy, laying the foundations for a climate transition plan. This includes ongoing collaboration with external agencies, alignment with regulatory frameworks, and regular review and revision of governance structures as needed.</li> </ul>	<p><a href="#">2024 Annual Report on Form 10-K, pages 71-73</a></p> <p><a href="#">2024 Sustainability Report, page 22</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 41-42</a></p>

# Risk Management

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Recommended Disclosure	Links
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.	
<p>Northern Trust is committed to understanding and mitigating climate risk and the potential impact on our business. Our approach integrates climate risk identification, assessment and management across our investment processes, business operations, and financial market commitments. To ensure a structured response, we align our climate risk framework with Northern Trust’s Three Lines of Defense model, which defines clear roles and responsibilities across the organization. For more details on how these various processes integrate in the broader risk management framework, refer to the previous two sections accordingly.</p>	<p><a href="#">2024 Annual Report on Form 10-K, pages 71-73</a></p> <p><a href="#">2024 Sustainability Report, pages 14-17; 19-22</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 41-42; 61</a></p>

# Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended Disclosure	Links
<b>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</b>	
<p>Northern Trust is developing a range of quantitative metrics to assess climate-related risks and opportunities, in line with its strategy and risk management process. These metrics are designed to provide transparency, support decision-making, and enable tracking of progress toward climate objectives.</p> <p>Reducing our greenhouse gas (GHG) emissions is not only an environmental goal but also an opportunity to mitigate operational and transition risks, avoid potential regulatory costs, and enhance efficiency. Lower emissions strengthen resilience and position Northern Trust as a leader in sustainable operations. Similarly, measuring financed emissions within our securities portfolio provides insight into transition risk and highlights opportunities to innovate investment products, engage clients on decarbonization strategies, and allocate capital toward low-carbon solutions. NTAM's climate-related metrics serve as both a risk management tool and a pathway to develop investment strategies that align with client sustainability objectives.</p> <p>For the Enterprise, key metrics include:</p> <ul style="list-style-type: none"> <li>• <b>Scope 1:</b> Direct GHG emissions from sources owned or controlled by the company (e.g., company vehicles, facilities).</li> <li>• <b>Scope 2:</b> Indirect GHG emissions from the generation of purchased energy.</li> <li>• <b>Scope 3:</b> All other indirect GHG emissions not included in Scope 2, such as those from the value chain (for corporates).</li> </ul> <p>We have started measuring financed emissions from our non-client investments on our balance sheet, aligning these efforts with our overall climate strategy. As measurement of our financed emissions continues to evolve, we will evaluate disclosure of these metrics.</p>	<p><a href="#">2024 Annual Report on Form 10-K, pages 71-73, 87</a></p> <p><a href="#">2024 Sustainability Report, page 19</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 44-46; 53-54; 61</a></p>
<b>Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</b>	
<p>2024 Enterprise GHG emissions (mtonco2e):</p> <ul style="list-style-type: none"> <li>• <b>Scope 1:</b> 4,719</li> <li>• <b>Scope 2 (market-based):</b> 27,841</li> <li>• <b>Scope 3 (Categories 1, 3, 5, 6 and 7):</b> 41,092</li> </ul> <p>Please refer to NTAM's TCFD Report for emissions associated with asset management.</p> <p>For the 2024 fiscal year, there were no scope 1 and 2 greenhouse gas emissions for The Northern Trust Company, Canada.</p>	<p><a href="#">2024 Statement of Greenhouse Gas (GHG) Emissions</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 44-46; 53-54; 59-60</a></p>
<b>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</b>	
<p>Our primary target to manage climate-related risks and opportunities includes:</p> <p>Operational Emissions Reduction Targets for Scope 1 and 2 GHG Emissions: Target: Reduce Scope 1 and 2 GHG emissions by 50% by 2030 (using a 2019 baseline).</p> <p>Performance: Progress is tracked annually, with recent reports showing a 24.1% reduction in Scope 1 and 2 emissions and a 28.9% reduction in energy consumption per employee against the total 2019 baseline.</p>	<p><a href="#">2024 Sustainability Report, pages 19-22</a></p> <p><a href="#">2024 NTAM TCFD Report, pages 46, 61</a></p>