



STEWARDSHIP REPORT

2024



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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).

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Stewardship for Long-term Value Creation



As we look back to 2024 and ahead to 2025, macroeconomic, technological, and geopolitical factors, including government leadership changes across various global markets, continue to impact the business environment for many companies.

Through our investment stewardship activities, we seek to determine how our investee companies are navigating these impacts and may evolve their business strategy to meet these challenges. Our commitment to strong and effective stewardship to safeguard client capital and drive investment performance remains paramount. It is grounded in our fiduciary heritage of always acting in the best interests of our clients and driven by our view that the companies in which we invest on behalf of our clients need to demonstrate robust governance practices and manage material risks to their business models. This is critical for companies to maintain long-term viability and deliver strong risk-adjusted financial returns over time.

In 2024 we continued our investment in resources and our approach. We appointed Paul Clark to a new role as the dedicated global head of stewardship. Paul brings over 35 years of investment sector experience, including more than 20 years within investment stewardship. Paul has developed and is implementing a plan that is investment-focused, supports our independent stewardship and sustainable investment capabilities, and expands and enhances our engagement framework, which is aimed at improving investee company financial performance and delivering better investment outcomes.

During the year our direct engagements with investee companies increased significantly. We engaged directly with 250 companies, a 56% increase compared to 2023.* Direct engagement will continue to be a key element of our approach.

As a global investment manager with \$1.3 trillion in assets under management**, we recognize that our clients have different requirements and views regarding not only their investment preferences, but also how their rights as shareholders are represented. To further support our clients in exercising their voting rights, in 2024 we launched Proxy Voting Choice, a service enabling investors within a range of our U.S. and European funds to select from different proxy voting guidelines. We will continue to broaden these efforts in 2025 so that our clients can express their views via voting their proxies directly, regardless of fund range or investment vehicle.

We have also implemented a nature and biodiversity engagement framework, identifying the material risks to which companies are exposed and seeking improved transparency and accountability to serve the long-term investment interests of our clients. We will continue to widen our focus on this topic and further build the expertise of our stewardship team in 2025.

The integration of the Task Force on Climate-Related Financial Disclosures (TCFD) framework into the International Sustainability Standards Board (ISSB) marks further progress for company reporting. We are encouraging companies to report on sustainability related

issues in line with the ISSB standards, to identify gaps in their current reporting and establish robust systems for tracking and reporting climate related data. To underpin this, in 2024 we supported proposals at shareholder meetings that encouraged further disclosure of financially relevant climate-related information.

Looking ahead, the rapid advancement of artificial intelligence (AI) offers both unparalleled opportunities and unprecedented risks for portfolio companies. These risks include unintended biases, the potential for privacy violations, and inappropriate content. Responsible AI can preserve and create value for investors. In 2025 we will elevate our focus on this emerging topic, seeking to understand how our portfolio companies are incorporating AI into their business operations and long-term strategies. We also aim to encourage greater oversight and transparency in their AI practices.

In this report, we present a clear and comprehensive account of our stewardship activities and their outcomes, while also demonstrating our steadfast commitment to the principles of investment stewardship to maximize long-term value on behalf of our clients. We hope you find this informative and welcome your feedback.

Daniel Gamba

President
Northern Trust Asset Management

* Source: Northern Trust Asset Management. NTAM engaged 250 companies in 2024 and 160 companies in 2023

** Assets under management as of December 31, 2024. For the Northern Trust Asset Management entities included in assets under management total, please see disclosure at end of this document.

Year of Stewardship¹

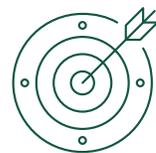
147,000+

Number of votable items proposed by management and shareholders



15,750

Shareholder meetings voted



1,095

Total number of companies engaged

28%

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



+56%

Increase in number of companies directly engaged by NTAM vs 2023²



NTAM Direct Engagements by Theme



Based on 276 direct engagements by NTAM across 250 companies.

¹ Source: NTAM and EOS at Federated Hermes (EOS). We appointed EOS to act as agent of our UCITS pooled funds in EMEA and APAC. 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 engaged with 250 companies in 2024; EOS engaged 845 companies. NTAM-led engagements capture those performed individually or in collaboration with other investors. Voting statistics represent the votes cast by NTAM in line with our custom set of guidelines – the Northern Trust proxy voting policies and procedures. Statistics do not include votes cast by clients through Proxy Voting Choice or in select sustainability funds which subscribe to alternative voting policies.

² NTAM directly engaged 250 companies in 2024 and 160 companies in 2023.

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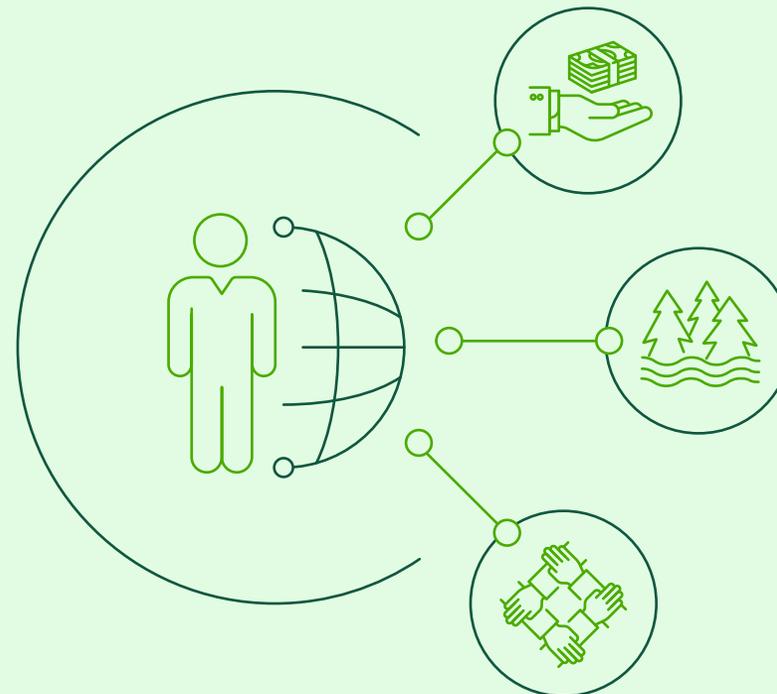
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PRINCIPLE 1

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.

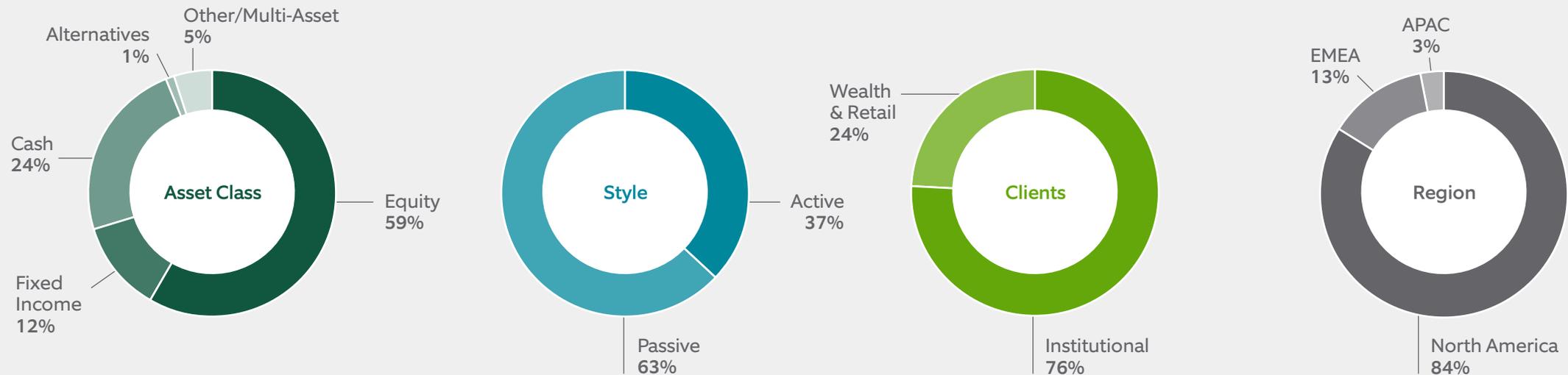


About Us

Northern Trust Asset Management (NTAM) is the asset management division of the Northern Trust Corporation, a leading provider of wealth management, asset servicing, investment management and banking, with \$16.8 trillion in assets under custody/administration³ and 23,300 full-time equivalent employees globally.⁴

NTAM is among the world's largest asset managers, with \$1.3 trillion in assets under management⁵ and is entrusted by investors around the globe to help them navigate changing market environments and realize their long-term investment objectives.

NTAM Assets Under Management³



³ Assets under custody/administration as of December 31, 2024.

⁴ Headcount as of December 31, 2024.

⁵ Assets under management as of December 31, 2024. For the NTAM entities included in assets under management total, please see disclosure at end of this document. As a result of rounding, not all percentages will sum to 100%.

The 37% active style breakdown is as follows: Cash/Liquidity = 65%; Multi-Asset Class = 13%; Fixed Income = 13%; Equity = 7%; Alternatives = 2%

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 \$189 billion in sustainable investment strategies as of the end of 2024⁶. At NTAM, we help investors future-fit their portfolios by bringing clarity to investment opportunities and risks resulting from financially material environmental, social, and corporate governance factors.

We enhance our ability to measure and assess such factors through the Northern Trust ESG Vector Score™ (ESG Vector Score). The score brings greater clarity to how sustainability related issues may impact companies' financial returns - to improve our investment and stewardship decisions.

⁶ 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.

Northern Trust Asset Management

\$189 billion
assets under
management
in sustainable
strategies⁶

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 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.

⁷ Total worldwide assets under management

⁸ Worldwide institutional assets under management

⁹ U.S. Institutional, tax exempt, managed internally

TOP MONEY MANAGER RANKING

“Special Report on the Largest Money Managers,” P&I 6/10/2024. Ranking based on total worldwide AUM of \$1.1tn as of 12/31/2023. See page 115 for more information on awards and rankings.

WORLDWIDE ASSETS⁷
19th Largest

WORLDWIDE
INSTITUTIONAL ASSETS⁸
14th Largest

ESG MANDATES⁷
5th Largest

INDEXED (U.S.)
FIXED INCOME⁹
5th Largest

ENDOWMENT/
FOUNDATION ASSETS⁷
6th Largest

CENTRAL BANKS⁷
10th Largest

DEFINED CONTRIBUTION
MANAGER⁹
9th Largest

INDEXED (U.S.) EQUITY⁹
4th Largest

Investment Beliefs

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

Commitment to Sustainability

We recognize that through our own operations and how we manage the investments we make on behalf of our clients we have a role in ensuring a more sustainable world. Reflecting this, the Northern Trust Corporation has committed to achieving net zero carbon emissions for our business operations by 2050.¹⁰

Human Capital Management

Our talent is our greatest asset and a core enabler of our strategy. Empowering our employees is central to our talent vision. We elevate the employee experience from recruitment to retirement by investing in three core areas: professional development, rewarding performance, and strengthening workforce and operational resiliency. By fostering an environment where our employees thrive, we ensure that our workforce is fully engaged, motivated, celebrated, and equipped to drive our strategy. To support this effort, we continue to invest in our Human Capital Management System to streamline manual processes and enable dynamic workforce analytics, helping managers make informed decisions and gain insights into their teams.

¹⁰ More information on Northern Trust Corporation's net zero commitment can be accessed [here](#).

Culture

Our culture influences how we behave as an organization and unites us across businesses, geographies, and functions. Embedded in our culture are five behaviors to help us deliver on our strategic objectives:

Relentlessly Client-Centric

Always put clients' best interests first.

Constantly Managing Risk

Proactively follow data, processes and systems that help assess risk.

Respectfully Candid

Express thoughts and opinions clearly, directly and honestly.

Intentionally Inclusive

Consciously welcome and value others' experiences and perspectives.

Always Accountable

Take responsibility for our actions, decisions and behaviors.

Advancing Our Expertise

Our people are intellectually curious, and across the Northern Trust Corporation we support partners to be lifelong learners. Their experience, skills and drive to continually improve not only advance our collective expertise, but also enable us to better serve our clients. We support them by:

Encouraging Professional Development

From internships to executive development, our goal is to help our employees excel in their current roles and acquire new skills for future growth. Through Northern Trust University, we deliver comprehensive professional and functional training programs designed to equip our employees at every stage of their careers. Our performance management practices promote high performance across the company and are aligned to our strategy from goal-setting to evaluation. We provide comprehensive manager training on performance differentiation and application to our performance ratings scale to foster transparent feedback and continuous improvement.

We allocate a budget to support employee development through professional certifications. As of the end of 2024, 19% of the sustainable investing and stewardship teams are CFA® charter holders. Additionally, over half of the team has completed sustainable investing certifications from third parties, including the CFA ESG certificate, the CFA Climate Valuation, and ISSB.

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 Educational Goals

Within 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. Our educational assistance program covers expenses related to rigorous external credential programs leading to associate's, bachelor's and master's degrees.

Workforce and Operational Resiliency

Our operating model is designed to reinforce the strength of our control framework, foster enterprise change management, provide robust governance and oversight, accelerate scalable growth, and leverage and develop our talent. To align with our strategy and position the Northern Trust Corporation for future success, new leaders are appointed from our internal talent pool, as well as recruited externally to bring in new skills and expertise. Planning for leadership resiliency is a core component of our talent strategy. We identify and develop leaders with the necessary skills to execute business strategies and have documented succession plans for leadership resiliency roles. Our well-being programs support employees and help maintain an inclusive and resilient environment. Through these programs, we enhance employee engagement, reduce workforce risks, and build an adaptive, high-performing culture.

In 2024, over 88% of Northern Trust Corporation employees participated in the annual Employee Engagement Survey, which is a crucial tool for understanding and meeting the needs of our employees and driving engagement and retention. The survey results are reviewed by the Northern Trust Corporation Board and discussed in leadership meetings, reflecting our dedication to continuous improvement. Embedded in our engagement survey is an inclusion index, which is a gauge to understand our employees' sense of belonging and their ability to contribute to the success of the firm. We are committed to fostering an inclusive workplace that aligns with Northern Trust Corporation's mission, values, goals, business practices, and all applicable laws.

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.

We seek to act and think with the long term in mind and believe that serving as an active owner produces sustainable value over time, leading to better outcomes for clients, shareholders and stakeholders.

We are members and participants of various industry groups and initiatives globally:

- Principles for Responsible Investment (PRI), member since 2009.
- International Financial Reporting Standards Foundation (IFRS) Sustainability Alliance Member.
- International Sustainability Standards Board (ISSB) Investor Advisory Group Member

Our sustainable investment and stewardship teams enable clients to align their investments with their values and to use our insights, backed by **\$1.3 trillion¹¹** in investments, to support meaningful change in companies' management of sustainability related risk factors.

¹¹ As at December 31, 2024

Improved Ability to Manage ESG Risk

In 2024, we acted on behalf of our clients through sustained engagement with investee companies and independent proxy voting.

Through our direct engagement, and that of our engagement partner, EOS at Federated Hermes (EOS), close to 4,700 topics across 1,095 companies were discussed, including company strategy, board structure, executive compensation, human capital management, and climate related risks. In 2024, we made progress toward at least one objective at nearly half the companies engaged.

Through our voting decisions, we seek to support positive company policies and practices that improve governance and sustainability risk management. Last year, we voted on approximately 147,000 resolutions, aligning our votes with client interests and not necessarily with company management. For example, in 2024 we cast at least one vote against management recommendations at 28% of the meetings in which we participated.

We are committed to strengthening our stewardship and further integrating it into our investments. To drive this forward, throughout the year we continued to expand our

stewardship team and appointed Paul Clark in a new role as the dedicated global head of stewardship. We further enhanced our team by appointing a stewardship analyst in London, and at the beginning of 2025 we added two more analysts, one in London and one in Chicago.

Looking ahead, we plan to continue growing our stewardship team with diverse skills across a wide spectrum of governance and sustainability themes. We are actively hiring in multiple locations to bolster our capabilities and further meet our clients' evolving needs.

Proxy Voting in 2024

15,750
meetings voted on



147,000+
resolutions voted on



28%
of meetings, cast at least one vote against management recommendations



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 2024, NTAM engaged on 830 themes and EOS engaged on 3,857 themes on NTAM's behalf, leading to a total of 4,687 themes discussed. NTAM engaged with 250 companies in 2024; EOS engaged with 845 companies. Engagements with progress are where milestones 2, 3 or 4 were achieved with companies (see Principle 11 for an explanation of milestones). 166/250 companies NTAM engaged with had achieved milestones 2, 3, or 4 in at least one engagement topic; EOS had 374/845 at this threshold.

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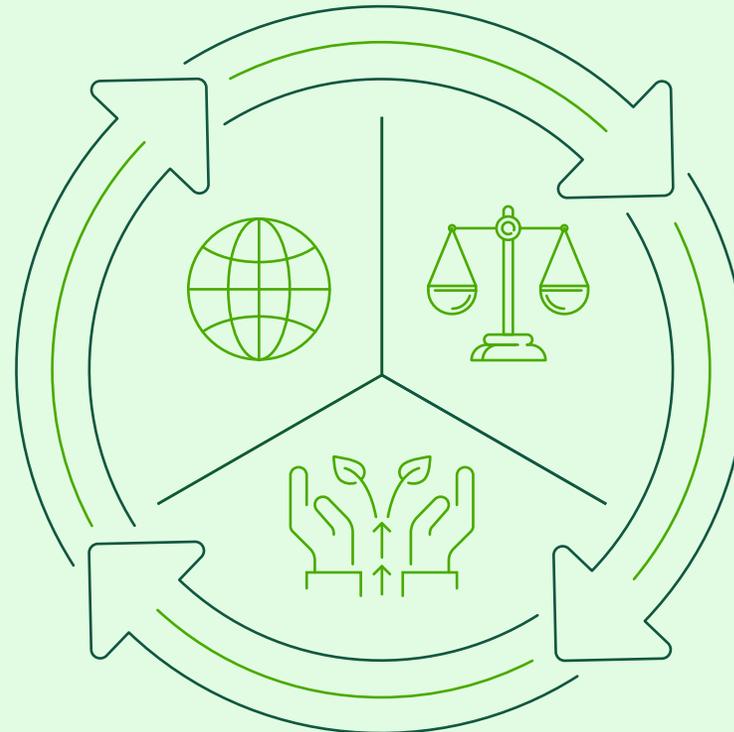
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04 Governance, Resources and Incentives

Signatories' governance, resources
and incentives support stewardship.



Governance to Strengthen Accountability

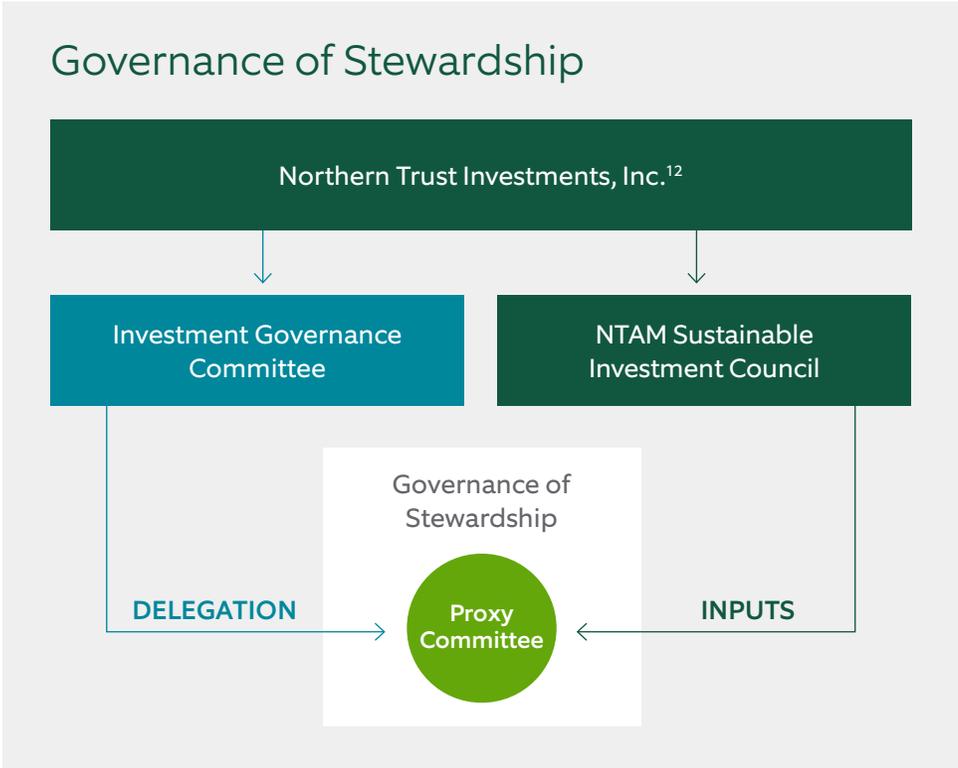
Our governance strengthens accountability to clients, shareholders and other stakeholders, while ensuring the robustness of our stewardship policies and processes, in line with NTAM’s principles of sustainability.

Northern Trust Investments’ Investment Governance Committee (IGC),¹² 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.

The Proxy Committee is chaired by the Global Head of Stewardship and comprises senior representatives from across business

functions, including investment research, portfolio management, client relationship management and sustainable investing specialists. Additionally, risk professionals from EMEA and the U.S. support 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).



¹² 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 function in regard to sustainability initiatives across NTAM, and drives alignment and coordination related to our sustainable investment and stewardship activities. It leverages a broad range of expertise across regions and business groups, 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 networks and coalitions.

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

Our Expertise

We strive to build on our 30+ year legacy of creating long-term investment value for our clients through purposeful management of sustainability-related risks and opportunities, effective engagement and proxy voting that underpins our approach and aligns with our clients' values.

In 2024, in recognition of the vital importance that both stewardship and sustainability integration have within our investment approach, we created two new separate senior leadership roles, Global Head of Stewardship, and Global Head of Sustainability Integration. In having dedicated global leads we will continue to drive excellence across both aspects. To this end, we further increased our internal resources in each function during the year.

In 2025, we shall again be adding additional internal resourcing and topic expertise across global locations, with further analyst hires.

In order to deliver specialist knowledge, the stewardship and sustainability teams are organized around three core areas: research and portfolio integration, stewardship, and client engagement. Further information on these specializations is outlined below.

Highly Experienced Leaders

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 groups.

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.

Stewardship and Sustainable Investing is integrated across our client servicing, distribution, legal & compliance, reporting, portfolio management, research and strategy teams. This network of staff provides analysis and insights on emerging themes and monitors critical issues, industry trends and regulatory developments. They translate how such issues impact our clients, the firm and our investment approach. They also partner closely with our clients to understand how to incorporate client insights and beliefs into our approach, including in relation to product design.

Areas of Specialization

Stewardship Specialists

- Engage with companies on financially material governance, strategy and sustainability factors, to support improved company and market returns.
- Ensure that our proxy voting decisions are aligned with our policies and client requirements.
- Lead our participation in market groups to support improvements to best practice.

Sustainability Research and Integration Specialists

- Partner with our investment team to design and implement integration of material sustainability-related factors into portfolios across asset classes, investment strategies and time horizons.
- Develop research insights and proprietary data tools, such as the Northern Trust Vector Score™.

- Keep abreast of developments related to sustainability data, tools and technology, to improve the investment process and gain research insights.

Client Engagement Specialists

- Partner with our client and sales teams to understand how to support clients in meeting their sustainable investment objectives and to provide solutions that best align with those objectives, both financially and in ways that align with their values.
- Partner with our stewardship and sustainability research analysts to develop innovative sustainable investing solutions, based on input from clients.
- Provide education programs for NT partners and clients.

Our Diverse Sustainable Investing and Stewardship Team

NTAM is committed to inclusion across our business. We value the diverse perspectives that come from different backgrounds and experience, supporting better outcomes for our clients, shareholders and communities. Our sustainable investing and stewardship teams are spread across geographic regions, with 50% in the U.S., 35% in Europe and 15% in India. Team members have an average of 16 years of professional experience. Furthermore, 75% hold a masters-level degree in disciplines including business administration, commerce, conflict resolution, public policy and international economics.

Geographic Representation¹³



¹³ As at February 2025

Augmenting Our Efforts

To maximize our reach, analytical abilities and impact, we strategically leverage additional expertise and resources.

EQUITY OWNERSHIP SERVICES AT FEDERATED HERMES (EOS)

EOS, a leading stewardship provider, engages on NTAM's behalf with portfolio companies held in a range of pooled funds in EMEA and APAC.¹⁴ Working alongside our dedicated internal 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 ESG
- MSCI ESG Research
- S&P TruCost Environmental

Technology Enablers

- FactSet
- Bloomberg
- Aladdin
- TruValue Labs
- Sell-side research
- Equileap
- Planetrics
- Snowflake
- Microsoft Azure
- GRESB
- World Bank Worldwide Governance Indicators
- ICE Data Services
- SDI AOP

¹⁴ A full list of the funds in scope of EOS engagements can be found [here](#).

Rewarding Performance

We believe that recognizing and rewarding the contributions of our employees is critical to their continued success. We have a variety of awards and recognition programs tailored to different opportunities and achievements. Our in-person celebrations, such as our Quarter Century Club, which honors our long-tenured employees, and the Chairman's Awards, which recognize outstanding individual and team achievements, reinforce performance and appreciation.

We ensure our employees are compensated fairly by aligning their total compensation with market competitive pay for their roles, experience, and performance. Our total compensation includes base salaries, performance-linked incentive compensation, and comprehensive benefits designed to meet the needs of our employees and their families.

Stewardship activities and supporting clients through the integration of material sustainability factors into portfolios are embedded across our business. To promote improved performance in both areas, we compensate executives and impacted partners partly on their ability to effectively

integrate material sustainability-related factors into our investment process and to develop innovative products that solve investors' related challenges.

We incorporate related performance factors for 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 based on a multi-dimensional view, including performance of investment strategies, innovative product development, stewardship activities, and thought leadership.

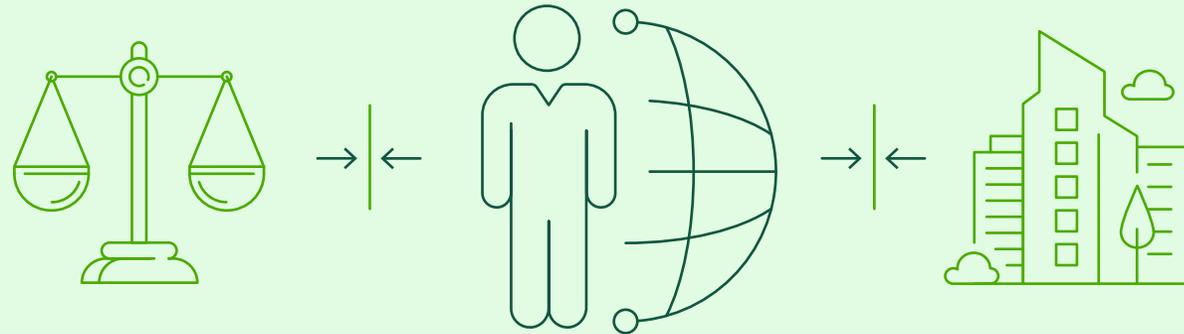
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PRINCIPLE 3

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, 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 (including 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, 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 from 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 2024, NTAM reviewed internal controls and content related to our proxy voting policies and procedures, 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 2025, the stewardship team plans to continue to enhance the involvement of key internal stakeholders over activities, including in relation to third-party services, where they have substantial contributions as we expand and integrate stewardship further into our investment processes.

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](#).

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 a vote 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 2024. For example, 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 STUDY ¹⁵

Resolving a Conflict

From time to time, Northern Trust receives a proxy ballot for various public securities where a director who is up for election or re-election is also a member of our board of directors.

THE CONFLICT OF INTEREST

In 2024, one director of The J.M. Smucker Company was also a member of Northern Trust Corporation's board of directors.

WHY IT WAS A CONFLICT

Northern Trust Corporation, as a U.S. national bank, 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 the directors, officers, or employees, as well as individuals or organizations who have an interest that might influence the bank's exercise of its best judgement.

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 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 watchlist 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 2024, NTAM voted in line with our third-party proxy services' recommendations on every occasion when this conflict occurred. We employ these proxy services to provide such recommendations on behalf of the Proxy Committee.

¹⁵ See page 115 for more information on case studies.

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06

PRINCIPLE 4

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.

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 inter-related 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.

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 classifying and managing the risk inventory and enabling different risk profile views. All identified risks inherent in Northern Trust Corporation's business activities are catalogued into the following risk categories: credit, operational, fiduciary, compliance, liquidity, market, and strategic risk. All material risks are also dynamically catalogued 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.

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 control enhancements.

During 2024, we continued to monitor closely risks associated with existing and emerging geopolitical events such as the continuing conflict involving Ukraine and the Russian Federation as well as the Middle East crisis, U.S. elections, approval of state budget in France and political uncertainty in South Korea. 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.

Climate Risk

Climate risk continues to be an evolving strategic risk. Climate risk 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 in response to institutions' and boards' approach 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 prominent themes we see facing investors over the next 10 years.

Global energy demand continues to increase and requires a robust set of options, innovations and finance mechanisms. Countries are seeking to satisfy surging demand for energy, to secure greater energy independence and to meet commitments to slow climate change. To do so, many are diversifying their energy sources, improving energy technology and securing raw material

supplies. As a result of the combined climate transition drivers (climate change risks, energy security and increasing energy demand), we see linkages to investment in infrastructure as a key requirement for developing energy capacity as well as improving energy security (such as delivery/transport; grid expansion/modernization).

Northern Trust Corporation's climate risk management efforts are overseen by the Chief Climate and Sustainability Risk Officer, who reports directly to the Chief Risk Officer. 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 as well as all climate-related commitments made to external agencies.

During 2024, NTAM enhanced investment risk oversight of relevant pooled fund products and separately managed accounts with client driven guidelines, including monitoring of product-level sustainability targets and exclusions. Activity undertaken includes monitoring of sustainability scoring of products versus their parent benchmarks, oversight of breaches in sustainability exclusions versus investment guidelines, and, where applicable, assessing carbon intensity reductions against portfolio objectives. These activities strengthen 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 risk.

We participate in a range of industry initiatives that aim to contribute towards reducing systemic risks linked to sustainability. 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, as well as industry and standard setting bodies.

In 2024, together with peers, we co-signed a letter to the UK's Financial Conduct Authority from the Investment Association on behalf of index managers, seeking greater clarity on the application of the Sustainability Disclosure Requirements (SDR) to index funds. Members of the SI and Strategic Product teams were also involved in working groups related to SDR, Sustainable Finance Disclosure Regulation and the European Securities and Markets Authority Name Guidelines. We also participated in a roundtable discussion with the UK Financial Reporting Council providing input into the UK Stewardship Code review. NTAM participated in feedback dialogues regarding the activities of the Principles for Responsible Investment (PRI), sharing our perspectives on the PRI's planned pathway reporting initiatives, and other activities.

Throughout the year, we also actively participated in several collaborative initiatives, including FAIRR, the CERES Valuing Water Finance Initiative and Climate Action 100+. We will continue to reassess our involvement in various groups to ensure that we deliver most value to our clients.

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07

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 sustainability 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 sustainability and corporate governance topics. It then 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 2023/2024 policy review period, the Proxy Committee looked at a number of policy issues related to board structure and composition, and sustainability matters such as our engagement policies on climate risk. 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.

The NTAM Proxy Committee also adopted a number of changes to update and align the Proxy Voting Policies and Procedures considering the introduction of new vendors into the Proxy Voting Process and to accommodate the implementation of Proxy Voting Choice service. Amendments ensure compliance with regulatory requirements, enhance transparency, and optimize decision-making processes in our proxy voting activities.

Additionally, the Proxy Committee reviewed and adopted changes to the Proxy Voting Guidelines. One change reflected a clarification of how overboarding guidelines are applied. All remaining changes regarded how to address certain common environmental and social themed shareholder proposals under section XII of the guidelines. These changes reflect a shift from a principle or rules-based approach to voting to a more fundamental approach, consistent with trends in the market and the expectations of most of our clients.

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.

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.

Audit services, the third line of defense, provides independent assurance as to the effectiveness of the integrated risk framework.

Historically, NTAM had additionally engaged the services of an external auditor to issue an assessment of proxy voting in NTAM’s system and organization control report (SOC 1). In light of numerous organizational changes, new processes, and the growth of our stewardship team, together with our commitment to extend assurance across all of our stewardship activities, in 2024 NTAM opted to strengthen internal review processes. Our aim was to ensure our stewardship processes and disclosures remain balanced and complete. This review considered internal stewardship actions, assessment processes and controls, with satisfactory outcomes and minor action points seeking to enhance the governance framework.

Fair, Balanced and Understandable Reporting

We have adopted the Chartered Financial Analyst 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, risk statistics, and EU Sustainable Finance Disclosure Regulation (SFDR) reporting.

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 this, our activities are designed to align and comply with all relevant regulations and applicable market codes, including but not limited to the U.K. Stewardship Code (2020), the EU Shareholder Rights Directive II (2017), the UN-supported Principles for Responsible Investment, and the Aotearoa New Zealand Stewardship Code (2022).

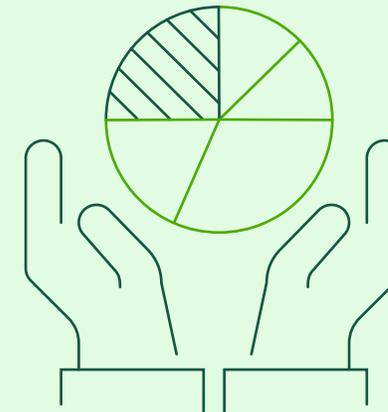
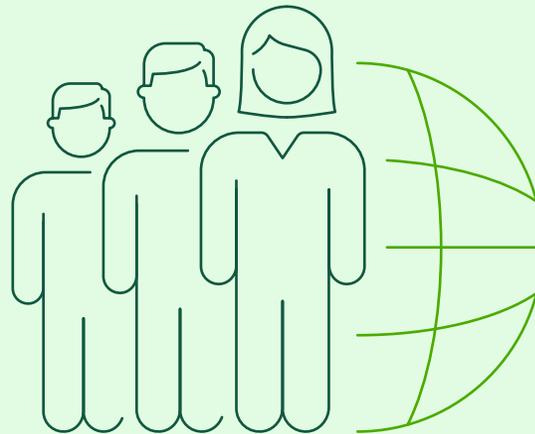
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08

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. Our clients have differing priorities in regard to active ownership and integration of material sustainability factors, and such meetings provide valuable feedback that enables us to understand the needs of our clients, informing our stewardship approach. 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, Institutional Shareholder Services (ISS) and EOS at Federated Hermes, 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 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 sustainable investing products and solutions, we consult with our sustainable investing and portfolio construction experts, as well as with our clients.

A key part to this process is the Sustainable Investment Council's (SIC) regular review and confirmation of the exclusionary screening methodologies used in our sustainability focused range of 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. In 2024, we implemented a range of enhancements across our ESG methodologies, against a backdrop of both client-based and regulatory drivers. These included:

- Enhancements to the exclusionary screen methodology implemented across much of the passive sustainable investing platform in EMEA. More information on this is provided in the case study on the following page.
- Methodology enhancements to our Green Transition strategy, which is used across a range of funds in EMEA and APAC. This included removal of the screen on nuclear power, as well as the addition of a security-level maximum mis-weight condition as a way to control tracking error compared to the standard parent benchmark.
- Methodology enhancements to our Quality ESG and Quality Low Volatility Low Carbon strategies, which are used across funds in North America and APAC. This included adding new carbon-related methodological enhancements based on the ISS Carbon Risk Rating, a forward-looking measure of company-level transition risk.
- Addition of Paris-Aligned Benchmark (PAB) exclusions to selected funds to align with the requirements of the ESMA Naming Convention. These will be rolled out in 2025 ahead of the May deadline.

CASE STUDY

Exclusionary Screen Enhancements

THE CHALLENGE

Sustainability is a dynamic and fast-moving space. As we apply an exclusionary screening methodology to a whole range of sustainable investing funds across different regions and asset classes, it is critical to review them periodically and ensure the exclusions reflect current global norms, market practices and client needs.

WHAT WE DID

As the previous review of the screens was completed in Q4 2021, we launched a client consultation process that took place across Q4 2023 and Q1 2024. Consultations were arranged with key clients invested in the index funds due for enhancements, covering over 70% of the total assets under management in this range. Consultants were also invited to take part in the process. We intended to discuss the appropriateness of the current screens, as well as emerging risk themes and whether clients felt these should be reflected within a negative screening approach, while maintaining low tracking error of the strategies compared to the standard parent benchmark.

THE OUTCOME

Based on the results of the consultation, two new screens and three enhancements to current screens were implemented across a range of passive sustainable investing pooled vehicles in the EMEA markets. This happened in November 2024.

1. Addition of a screen on gambling (5% revenue threshold).
2. Addition of a screen on adult entertainment (5% revenue threshold).
3. Lowering of the revenue threshold for thermal coal power generation revenue (from 30% to 10%).
4. Addition of an 'upper bound' screen for unconventional oil and gas, beyond which point all involved companies get screened out (current approach relies on a two-step screen which also considers transition risk management).
5. Addition of an 'upper bound' screen for Arctic oil.

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.

As part of NTAM's engagement strategy, we have started to encourage certain portfolio companies to publish net zero transition plans which set out how they intend to achieve net zero status.

In Q1 2024, against the backdrop of heightened regulatory expectations in Europe, we updated our engagement policy for pooled funds in EMEA and APAC to encourage portfolio companies to publish net zero transition plans. These changes were made to align with client expectations and client investment strategies in these regions.

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.

As stated in our updated engagement policy, 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 material sustainability 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.

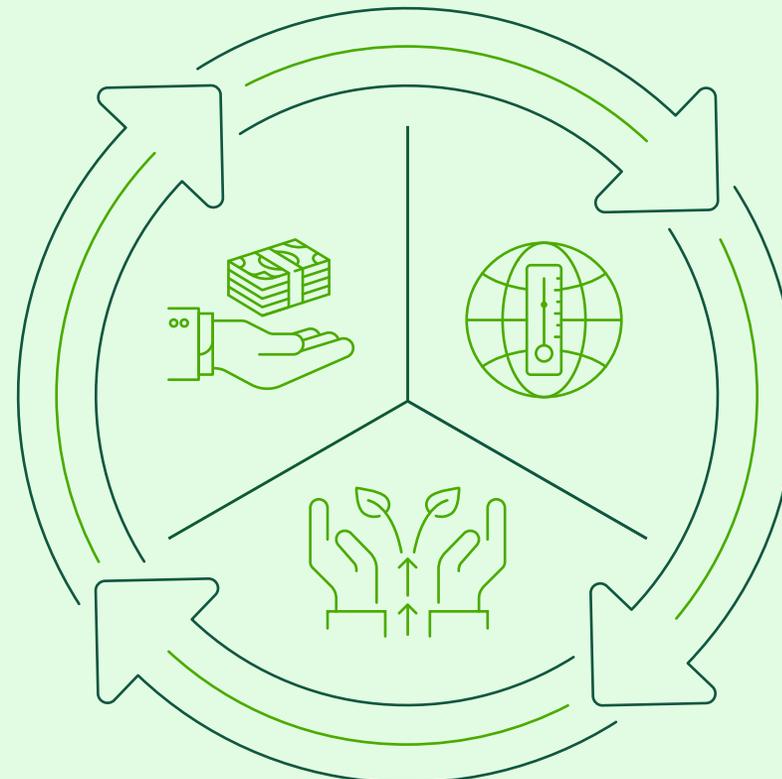
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PRINCIPLE 7

Stewardship, Investment and ESG Integration

Signatories systematically integrate stewardship and investment, including material ESG issues, and climate change, to fulfil 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

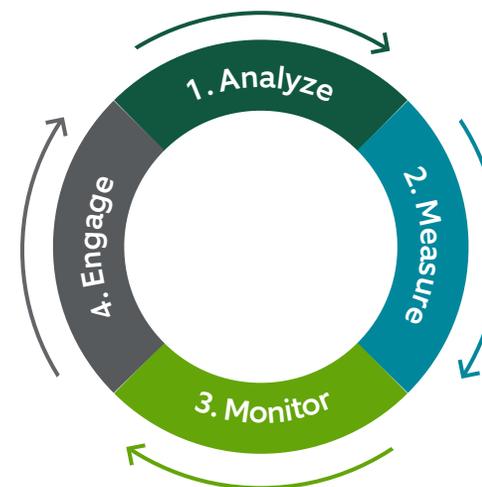
We seek out relevant sustainability and corporate governance topics and issues — those that are financially material and industry specific — that can shape short- and long-term results. We develop proprietary frameworks of measurable sustainability and corporate governance targets by leveraging a mix of leading industry-standard frameworks, such as the Sustainability Accounting Standards Board (SASB) Standards, now part of the International Sustainability Standards Board (ISSB), and the Task Force on Climate-related Financial Disclosures (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 benefit from long-term rewards. We use all the tools at our disposal — external leading environmental, social, and corporate governance 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 sustainability and corporate governance 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 sustainability-focused 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 to 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 in which we invest — 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 creation.

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 sustainability and corporate governance 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 (now part of the ISSB) 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 supports the ongoing development of our proprietary environmental, social, and corporate governance 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 sustainability and corporate governance risks, supporting the stewardship team to prioritize companies with which to engage with and topics to discuss

The Proprietary Northern Trust ESG Vector Score™

As the demand for sustainability-focused investing has accelerated, so too has the number of data providers and varying 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 environmental, social, and corporate governance 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. This helps us to identify the firms that we engage with and to track subsequent progress.

Northern Trust ESG Vector Score™ Benefits

Enables more purposeful and transparent integration of environmental, social, and corporate governance factors into investment processes, addressing the need for a consistent way to measure and report on sustainability-focused investments.

Provides a consistent, transparent methodology to gain clarity when building and managing sustainable portfolios, by focusing on the magnitude and direction of material environmental, social, and corporate governance related business issues likely to impact companies financially.

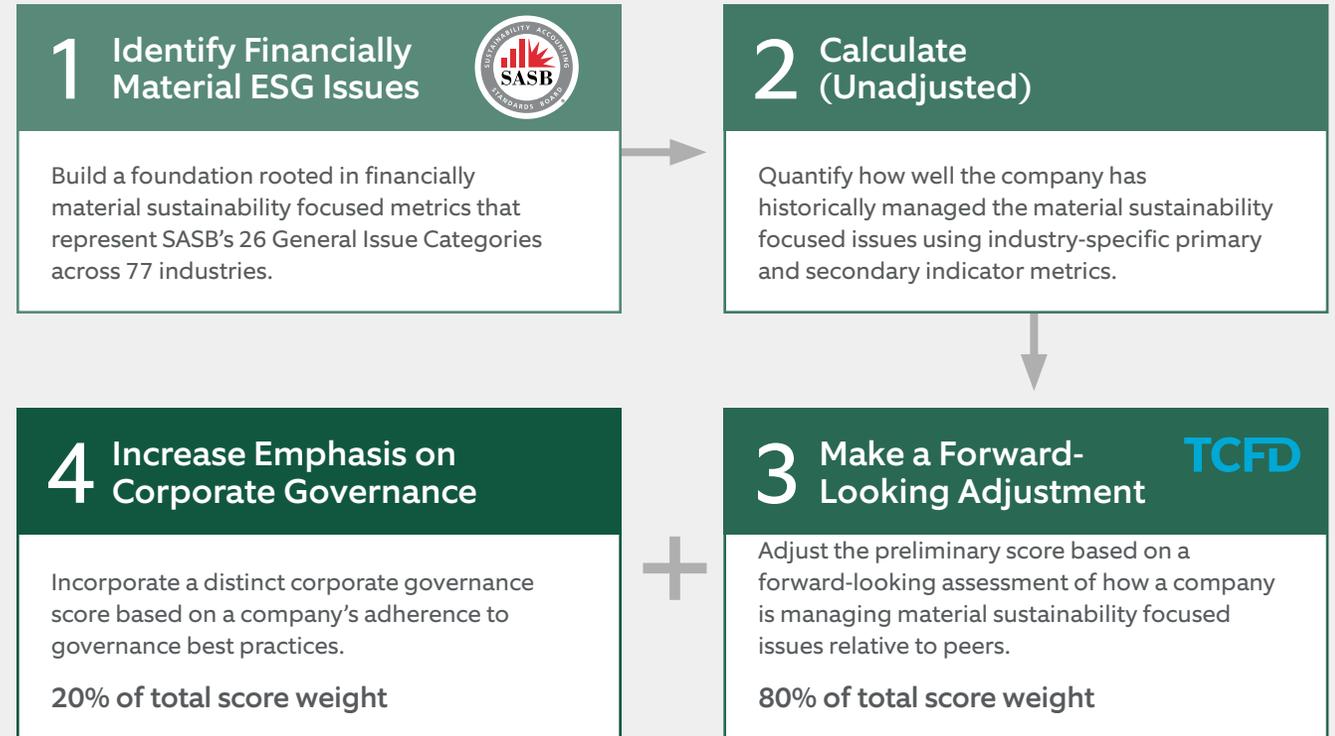
Offers more precision in identifying environmental, social, and corporate governance related business risks that could impact portfolio performance, whether constructing portfolios using best-in-class security selection, systematic optimization or exclusionary techniques.

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 — SASB Standards, now part of the ISSB, 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 environmental, social, and corporate governance factors into investment processes, addressing the need for a consistent way to measure and report on sustainability focused 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: NTAM

CASE STUDY ¹⁶

Southwest Airlines

Improving performance

THE CHALLENGE

Southwest Airlines is a U.S. headquartered passenger airline operator. Following prolonged underperformance relative to airline peers, Elliott Management announced its intent to call a special meeting of Southwest shareholders and nominate 10 independent directors to the board.

WHAT WE DID

We engaged with representatives of Elliott Management to discuss its proposed strategies for improving fundamental performance at Southwest. Subsequently, we virtually attended the Southwest Airlines investor day in September 2024.

THE OUTCOME

During the Southwest Airlines investor day, the company announced several strategic actions including improved asset utilization, better cost discipline, reduced capital spending and capacity growth, and implementation of a share buyback program. Following the meeting, Southwest and Elliott announced a settlement which included the appointment of six new directors and a new independent chair. Based on the discussions with Elliott and the outcome of the Southwest investor day, we became more confident about airline industry fundamentals, supporting our overweight position to airline credits in our High Yield fund.

¹⁶ See page 115 for more information on case studies.

CASE STUDY ¹⁷

Norfolk Southern Corporation

Board and management changes to galvanize rail operations

THE CHALLENGE

Norfolk Southern is a U.S. headquartered freight rail transportation company. Following a highly publicized freight train derailment in East Palestine, Ohio in February 2023, and operating performance that lagged rail peers, Ancora Advisors LLC initiated a proxy contest at Norfolk Southern Corporation in late 2023. Ancora nominated seven candidates to the board and proposed a new Chief Executive Officer (CEO) and Chief Operating Officer (COO) candidates.

WHAT WE DID

In the second quarter of 2024, we engaged with representatives of Ancora, including board, CEO and COO candidates, as well as meeting with Norfolk Southern board representatives and the current CEO.

THE OUTCOME

We supported the board candidates with the best operational experience to support Norfolk's improvement plans, which included part of Ancora's proposed board slate as well as part of management's proposed slate. We did not support the appointment of Ancora's recommended CEO and COO. Instead, we chose to give Norfolk's existing CEO and newly appointed COO more time to deploy their operational improvement plan. Based on meeting with both the activist and management teams, and the outcome of the proxy vote, we maintained an over-weight position in Norfolk in our core model equity portfolio.

¹⁷ See page 115 for more information on case studies.

CASE STUDY¹⁸

Close Brothers

Customer Protection and Governance Risk

THE CHALLENGE

Close Brothers Group is a U.K. headquartered financial services company. From mid-September 2024 to early November 2024, Close Brothers' equity price dropped by approximately 65%, driven by its significant exposures to motor finance (c.20% of loan book) and relatively weak capital base. The correction followed a court finding that Close Brothers had participated in potentially unlawful commission fee arrangements with intermediaries, such as car dealers, contributing to customer harm. While Close Brothers appealed the decision to the U.K. Supreme Court, the potential costs of the U.K. motor finance investigation remain uncertain and could be material.

WHAT WE DID

Based on our integration of governance factors and the uncertain outcome of such long-drawn investigations around financial misconduct, we immediately exited the positions in Close Brothers that were held in the Sterling Ultra Short Account.

THE OUTCOME

NTAM avoided booking significant losses on the position in Close Brothers following the decisive action to sell driven by our integration of governance risk factors. The Appeal Court decision will likely be reviewed by the U.K. Supreme Court, which might still reverse or change the rulings.

¹⁸ See page 115 for more information on case studies.

Sustainability & Stewardship focused training

In 2024, 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 sustainability and corporate governance issues across asset classes, bringing in external industry speakers and experts.
- The global sustainable investing landscape from a regulatory perspective.
- Stewardship in action — promoting positive practices through engagement and voting.
- Environmental, social, and corporate governance related strategies, policies, emerging regulations and market insights.
- 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 2024 we launched several new courses on our Sustainability Learning Hub. Topics included climate risk, stewardship, and biodiversity.

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PRINCIPLE 8

10 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.

We have established internal controls over the vendors we use for the execution of our stewardship activities, including engagement support provided by EOS at Federated Hermes (EOS) and proxy voting recommendations provided by Institutional Shareholder Services (ISS) based upon NTAM voting guidelines. EOS's performance is judged against key performance indicators (KPIs) focusing on timeliness, content and data quality, and communication. Assessments against these KPIs are conducted on a quarterly basis. Additionally, we provide input into EOS's engagement themes and strategy through an annual client feedback meeting and survey.

Supplemental Engagements by EOS

As discussed in [Principle 2](#), we have appointed EOS to engage with companies according to our stewardship engagement policies and priorities. EOS performs these engagements on behalf of most of our pooled funds in Europe and some Asia-Pacific funds and separately managed accounts. Our Proxy Committee oversees EOS engagements on at least an annual basis.

Proxy Voting Recommendation by ISS

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 2024, we performed over 260 assurance tests and did not identify any issues.

ISS does not have discretion in making proxy voting recommendations. If our guidelines are not clear, ISS will consult with the Proxy Committee for clarification. The stewardship team performs weekly audits of ISS's votes to assess compliance with our guidelines.

We review voting recommendations in advance of the shareholder voting deadline, in time to ensure our votes are in line with our policy and make corrections if necessary. When we identify misalignment, we communicate our findings to ISS. We request a root-cause analysis to understand the likelihood of recurrence and to remediate any issues.

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 a new data provider, NTAM performs a request for proposal to evaluate methodologies, data breadth, and history to determine fit for purpose with partners from our sustainable investing and stewardship teams, investments, risk, IT and in some cases model risk management. After onboarding, we monitor any methodology changes and consult with the data providers as needed.

Continued >

In 2023, we advanced our ESG data hub which centralizes sustainability metrics across our investible universe to further the integration of stewardship information across the investment teams. In 2024, NTAM integrated Snowflake direct share data feeds into our daily ESG hub ingestion/dissemination process, so that third-party vendor data is received and updated in the timeliest manner available. This helped improve the scale and scope of data available for use by investment teams.

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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 \$1.3 trillion¹⁹ of client assets is a privilege, and we appreciate the significant responsibility that comes with it.

As global investors, we have the responsibility and opportunity to encourage companies to implement strong corporate governance and sustainability practices, as key drivers of long-term business success and shareholder returns. We do this through the fostering of supportive, on-going relationships with investee companies. To prioritize engagements we identify key risk factors that may impact performance. We focus on key priorities through:

Key themes

Our process for engaging with companies on long-term sustainability, social and governance risks starts with prioritizing key themes which we see as significant risks.

In addition, engaging and tracking companies activities against specific United Nations Sustainable Development Goals (SDGs) provides us with valuable insights into investment risks, opportunities and long-term sustainability.

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.

Probability of success

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

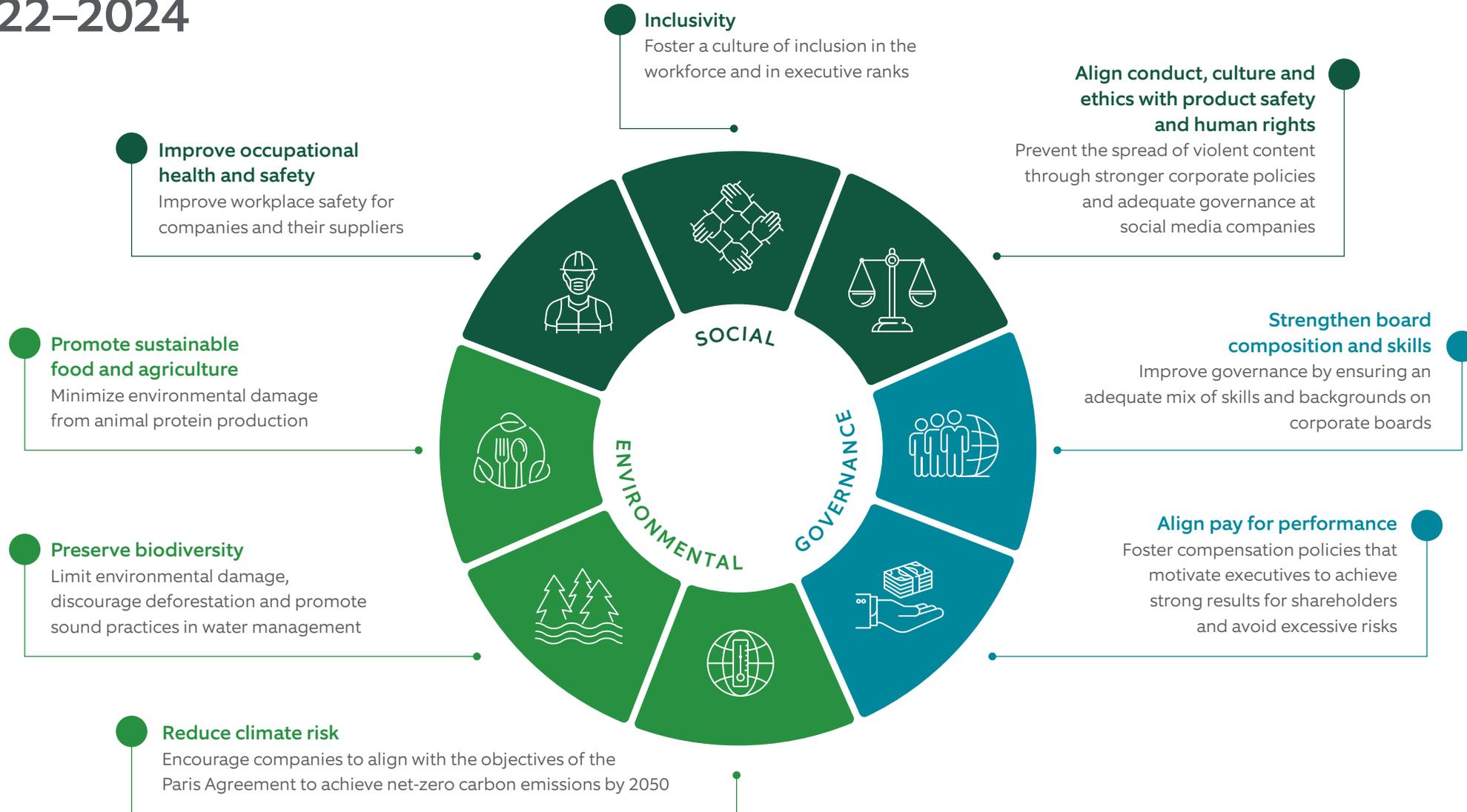
We have identified more than 30 themes that may impact a company's long-term value. We focus our efforts on the key themes/issues where we believe we have the highest probability of achieving the desired outcomes.

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 sustainability, or corporate governance risks.
- Management's willingness to engage with us.
- Insights from the Northern Trust ESG Vector Score™, described in [Principle 7](#), to help prioritize engagements.

¹⁹ NTAM assets under management as of December 31, 2024.

Engagement Priorities 2022–2024



CASE STUDY ²⁰

Targeting Cybersecurity

THE CHALLENGE

In addition to our key themes, we are responsive to emerging sustainability and corporate governance 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 a positive correlation between digitization of the workforce and cyber risk²¹. 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 our concerns about risks. We spoke to Accenture and Microsoft among others.

In 2024, we continued our engagement with Microsoft over industry trends, risks and governance oversight of cybersecurity. There have been a significant number of Microsoft related cybersecurity breaches. Additionally, the U.S. Federal Trade Commission (FTC) formally launched an antitrust investigation into Microsoft, scrutinizing its cloud computing, software licensing, cybersecurity, and AI businesses. The FTC flagged concerns about the concentrated nature of the cloud market, warning that outages or performance issues could ripple through the economy. Microsoft faces similar antitrust investigations by the Competition and Markets Authority in the U.K.

THE OUTCOME

Microsoft's management team has recognized and elevated cybersecurity as a top line priority and made some significant enhancements and commitments, including adding incentives to compensation practices, committing to quarterly reporting, and increasing investments in a formal strategic priority called the Secure Future Initiative. Monitoring and further engagement will be necessary given the evolving threat landscape.

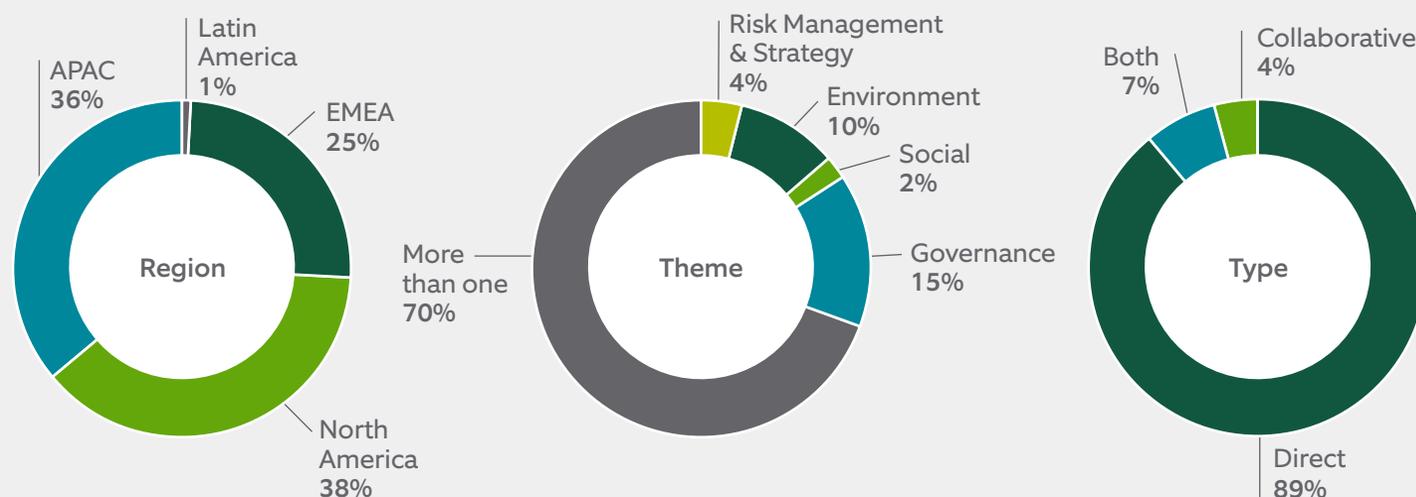
²⁰ See page 115 for more information on case studies.

²¹ Saeed, Saqib, et al: *Digital Transformation and Cybersecurity Challenges for Businesses Resilience: Issues and Recommendations*. 25 July 2023. Available at <https://doi.org/10.3390/s23156666>.

Engagement Across Asset Classes and Geographies

On behalf of clients who are predominantly long-term investors, we seek to engage across all regions and across our holdings of both equity and debt within our client and fund portfolios.

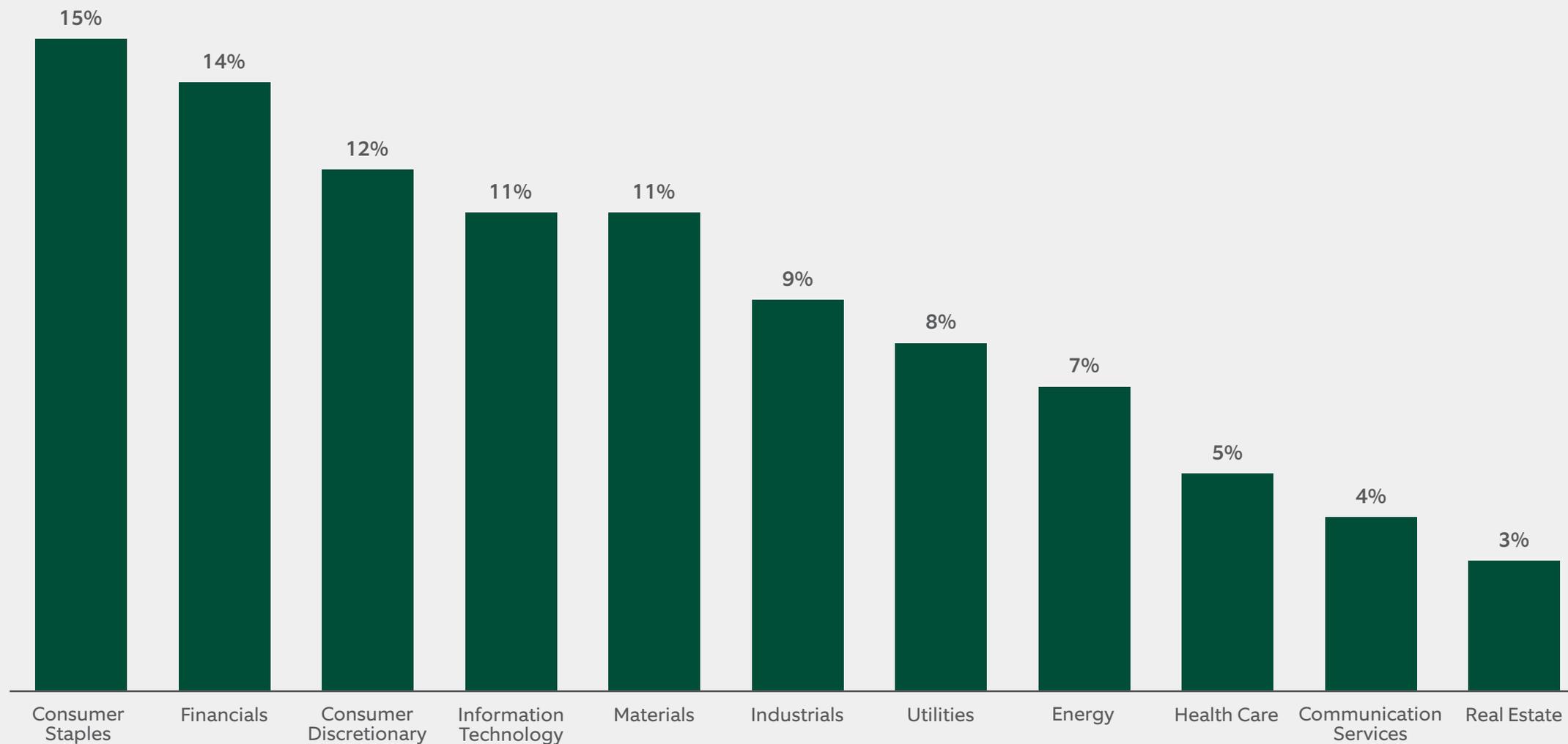
2024 NTAM Engagements



For example, in the Americas region, we managed both equities and corporate bonds across 86% of the companies with whom we engaged with in 2024. In EMEA, that ownership overlap was 71%. As we are a global asset manager, while we exercise voting rights uniformly across regions, factors within our prioritization approach, such as the size of holding, leads to larger regions being subject to a relatively higher engagement focus.

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 2024, NTAM engaged with 250 companies across 276 engagements.

2024 NTAM Engagements by Sector



Source: NTAM. NTAM held 276 engagements with 250 companies in 2024.

Methods of Engagement

To maximize our influence over priority issues, we engage through a variety of mechanisms and partnerships.

In collaborative engagements (see [Principle 10](#)), we partner with other investors with similar views on corporate governance and sustainability. We approach companies backed by the weight of the group's combined assets, magnifying our ability to promote positive practices. This is exemplified by our involvement in initiatives like FAIRR, Institutional Investors Group on Climate Change, Valuing Water Finance Initiative and Global Real Estate Sustainability Benchmark.

See Appendix 2 for a list of companies with which we engaged in 2024.

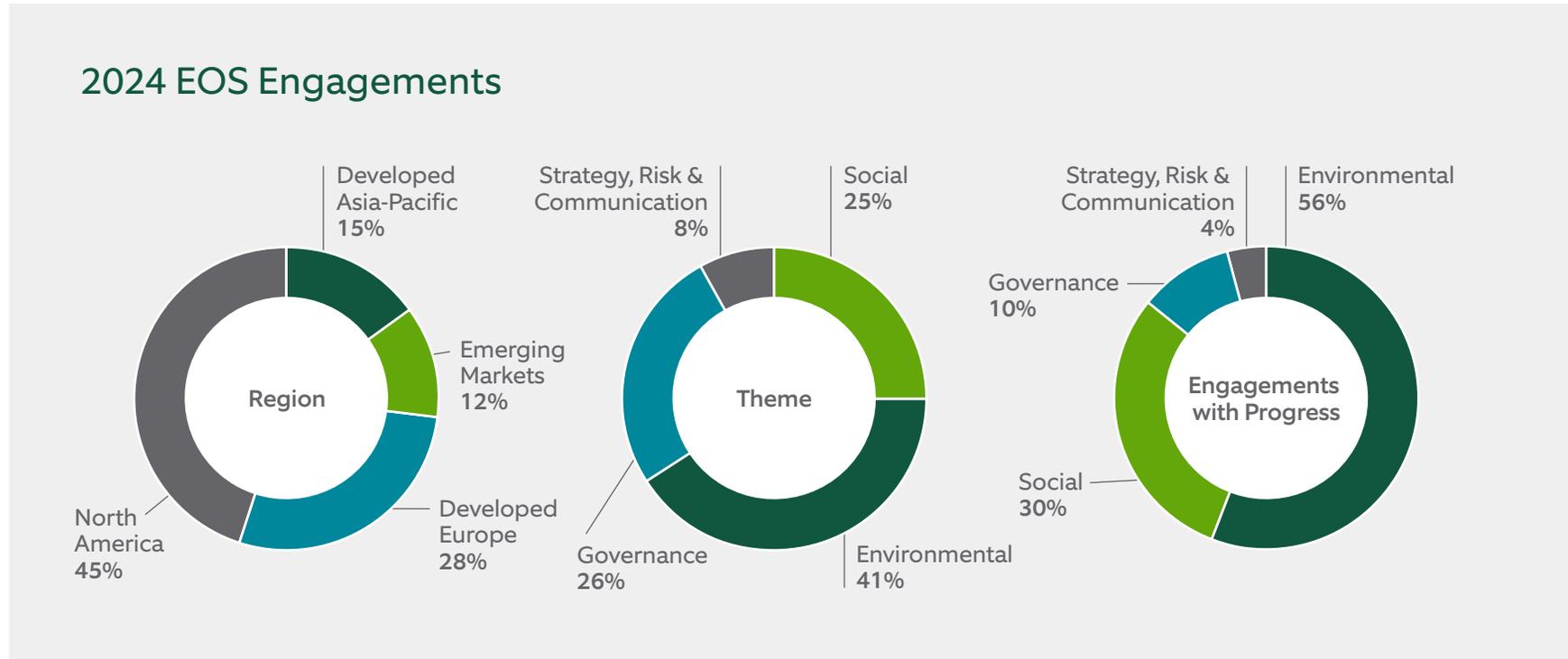


We approach companies backed by the weight of the group's combined assets, magnifying our ability to promote positive practices.

Supporting our approach through specialist engagement services

To support our internal approach and maximize our reach, analytical abilities and outcomes, we retain the services of a specialist engagement provider, EOS at Federated Hermes.

We leverage EOS's scale and expertise to engage with a greater number of companies globally, in line with our strategic priorities. This service is provided to a range of pooled funds in EMEA and APAC.



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 3,857 themes on behalf of NTAM in 2024. Milestones were set for 1,414 themes, progress in 2024 was made on 703 of these themes.

NTAM CASE STUDY ²²

Starbucks

Promoting Better Labour Relations

THE CHALLENGE

Starbucks Corporation engages in the production and retailing of specialty coffee, primarily within the U.S. It faces reputational risk and increased costs from strained labor relations. In 2023, NTAM engaged with the board and management on this issue while supporting the successful shareholder proposal that led to the company's publishing of its Human Rights Impacts Assessment and a Freedom of Association & Collective Bargaining Rights Assessment. In 2024, we requested additional engagements with management to discuss the reports' findings and the ongoing labor-related challenges.

WHAT WE DID

During two separate engagements on behalf of our equity and fixed income position in early 2024, we expressed our desire to see progress in the company's implementation of recommendations in the Freedom of Association & Collective Bargaining Rights Assessment, which suggested that Starbucks *“develop supporting statements, materials, and training related to the Global Human Rights Statement.”* We also discussed the report's statement that *“this issue will not resolve without Starbucks engaging constructively with the union.”*

²² See page 115 for more information on case studies.

THE OUTCOME

Starbucks responded that it planned to refine its Global Human Rights statement and training and would prioritize reaching labor agreements through negotiations. During the first quarter of 2024, we noted progress in the latter following the withdrawal of SOC Investment Group's proxy contest and the company's joint press release with Workers United union, announcing an agreement to *“begin discussions on a foundational framework to achieve bargaining agreements.”* During the second quarter of 2024, Starbucks reduced its legal risks due to its successful Supreme Court case against the National Labor Relations Board. The stewardship team will continue monitoring risks and engaging with the company.

NTAM CASE STUDY ²³

Equinor

Seeking Enhanced Disclosure On The Climate Transition Strategy

THE CHALLENGE

Equinor, headquartered in Norway, is one of the world's largest oil and gas companies. At Equinor's 2024 annual general meeting, U.K. and European institutional investors co-filed a shareholder resolution requesting the company align its climate strategy and capital expenditure plan according to the Paris Agreement goals.

WHAT WE DID

In the second quarter of 2024, on behalf of our equity and fixed income position, NTAM engaged Equinor ahead of its annual general meeting to discuss its climate transition plan and the shareholder resolution. With regards to the climate transition plan, we were seeking to determine how the company considered the transition risks that may arise from bringing oil and gas projects online that may operate beyond 2050, given the Norwegian state's (its controlling shareholder) ambitious climate goals. We requested greater disclosure about Equinor's plans post 2035, in particular, how it intends to protect value in a decarbonizing world and ensure that long-cycle oil and gas projects are compatible with its stated climate commitments.

²³ See page 115 for more information on case studies.

THE OUTCOME

Equinor stated that it valued our input ahead of a 2025 update to its transition strategy. Noting the forthcoming 'Say on Climate' vote at the 2025 annual general meeting, we voted in favor of the resolution as it would enhance Equinor's disclosure about its long-term capital allocation decisions. The vote did not pass, however, receiving 6.5% support, representing 19.5% of independent shareholders. We will continue to engage with Equinor in light of recent changes to its transition strategy.

NTAM CASE STUDY ²⁴

Kimberly Clark

Improving Nature-Related Reporting

THE CHALLENGE

Kimberly Clark Corporation produces personal care products made from natural fibers, primarily in the United States. The company faces risks due to operations in the ecologically significant Boreal Forest of Canada. NTAM views deforestation as an important regulatory and market risk, particularly given the recent European legislation and United Nations' Global Biodiversity Framework commitments.

WHAT WE DID

We engaged with the company on behalf of our equity and fixed income position in the second quarter of 2024, expressing concern about its lack of a deforestation policy and the decline in both its CDP Forests score and annual percentage rate of recycled fiber usage. We encouraged the company to consider reporting aligned to the Taskforce on Nature-related Financial Disclosures (TNFD). Understanding the extensive time and resources required to conduct this new form of reporting, we suggested that the company develop a time-based plan to evaluate the TNFD framework and publicly register its intentions to report via the TNFD database.

THE OUTCOME

The company stated that it is taking this matter seriously, explaining that its sustainability teams have recently begun due diligence on the TNFD framework. It expects to prepare a TNFD report in the long term, and in the interim will prepare a pilot version. In May 2024, NTAM noted that Kimberly Clark published its revised Forest, Land, & Agriculture Policy to take into account the dynamic policy and disclosure landscape. We will continue to monitor and engage with the company.

²⁴ See page 115 for more information on case studies.

NTAM CASE STUDY ²⁵

Hoya Corporation

Linking Remuneration To Sustainability Factors

THE CHALLENGE

Hoya Corporation, headquartered in Japan, engages in the manufacture and sale of imaging products, electronics, and medical-related equipment. It has integrated key performance indicators (KPIs) in its executive remuneration framework based on external ESG ratings, however, the company doesn't provide full disclosure on remuneration, making it difficult to assess if the compensation aligns with the interests of the organization and its shareholders. A comprehensive and transparent executive remuneration framework builds trust with shareholders and helps to align executive incentives with the organization's goals.

WHAT WE DID

NTAM engaged with the company in 2023 and recommended greater transparency about the executive remuneration framework. Specifically, we requested details regarding the weight, targets, or thresholds for short-term and long-term incentives related to non-financial KPIs.

THE OUTCOME

In May 2024, Hoya Corporation acknowledged that it had considered incorporating non-financial KPIs based on our recommendation. Within its long-term incentive, the company has allocated a 25% weight to ESG KPIs, with 15% evaluated by external ratings (CDP, Sustainalytics, DJSI) and 10% evaluated based on sustainability themes material to the company, such as carbon reduction and supply chain management.

²⁵ See page 115 for more information on case studies.

NTAM CASE STUDY ²⁶

Conagra Brands, Inc.

Aligning Pay With Performance

THE CHALLENGE

Conagra Brands, Inc. is one of North America's largest packaged food companies. Conagra has underperformed its peers in terms of total shareholder return (TSR) over both three-year and five-year periods. Despite the company's below-average TSR, the chief executive officer (CEO) was awarded top-quartile compensation. In addition, the company has used off-cycle CEO grants in consecutive years and has low rigor in incentive targets.

WHAT WE DID

We engaged Conagra on behalf of our equity and fixed income position in the first quarter of 2024. We expressed concerns around low targets, large grant packages, and the alignment between executive pay and shareholder return, especially in the context of Conagra's underperformance. When providing feedback, we shared insights into NTAM's proprietary compensation scorecard, which makes a quantitative ranking based on multiple factors including CEO

granted pay, company TSR, and various fundamental metrics. We encouraged Conagra to consider our multi-dimensional compensation philosophy when structuring remuneration, to make executive pay more well-rounded and in line with shareholder returns.

THE OUTCOME

In the third quarter of 2024, we re-engaged Conagra ahead of its 2024 annual meeting. The company informed us that the board approved changes to the fiscal year 2025 long-term incentive plan to integrate a TSR component. While we were pleased by better alignment between the company and investors, we asked that the company consider further improvements in the plan's rigor, use of grants, and the company's market performance. At the 2024 annual general meeting, NTAM voted against Conagra's compensation plan, which received below 70% support for the second consecutive year.

²⁶ See page 115 for more information on case studies.

NTAM CASE STUDY ²⁷

DICK's Sporting Goods, Inc.

Requesting Better Information About Human Capital Management

THE CHALLENGE

DICK's Sporting Goods is the largest pure sports goods retail chain in the U.S. While a majority of S&P 500 companies disclose employment information reports (EEO-1),²⁸ DICK's has not yet made its report public. Transparency on human capital management practices enables investors to better understand how the company is managing potential risks and opportunities. NTAM encourages U.S. companies to increase transparency on financially material workforce metrics.

WHAT WE DID

At the company's 2024 annual meeting of shareholders, investors were presented with a shareholder proposal seeking the public disclosure of DICK's EEO-1 report. NTAM supported the proposal and subsequently engaged with management on the topic on behalf of our equity and fixed income position. The goal was to better understand why it had not published the report and express our concerns about the lack of robust disclosure on workforce demographics. DICK's stated

that it felt that the report did not add value to management or shareholders due to its generic, backward-looking orientation. The company viewed its current reporting as more detailed and tailored to its industry-specific functions.

THE OUTCOME

The shareholder proposal received 11% support. However, due to the company's multi-class stock structure, the executive chairman and vice chairman control more than 75% of the voting power. Accounting for this, we estimate that nearly 40% of minority shareholders supported the proposal for EEO-1 reporting, demonstrating strong support for increased transparency. NTAM will continue to monitor and engage with the company over its disclosures. A lack of sufficient progress could result in NTAM supporting the proposal again, should it be presented for a vote in 2025.

²⁷ See page 115 for more information on case studies.

²⁸ [Over Half of S&P 500 Now Publish EEO-1 Reports, Human Resources Policy Association, 2024](#)

NTAM CASE STUDY ²⁹

Anheuser-Busch InBev

Promoting Enhanced Disclosure On Water Stewardship

THE CHALLENGE

Anheuser-Busch InBev (AB InBev), headquartered in Belgium, is one of the world's largest brewers. It has over 500 brands, including Stella Artois and Budweiser. Water is a critical ingredient and agricultural input for breweries, and poor water management poses considerable risk across the business's entire value chain. AB InBev recognizes this risk and has responded primarily through setting 2025 targets relating to water use efficiency, water availability, and water quality.

WHAT WE DID

In the third quarter of 2024, in line with our engagement priorities of "Promote sustainable food and agriculture" and "Preserve biodiversity," NTAM engaged AB InBev on behalf of our equity and fixed income position over its water stewardship policy. In particular, we sought to understand the approach to updating water stewardship targets which expire in 2025 and emphasized the importance of ambition in areas such as water efficiency, ecosystem protection,

and access, sanitation and hygiene. We also sought greater disclosure against the Sustainability Accounting Standards Board Standards (now part of the International Sustainability Standards Board) disclosure topic on ingredient sourcing – in particular, the metric on the percentage of beverage ingredients sourced from regions with high or extremely high baseline water stress which is not captured in its current reporting.

THE OUTCOME

AB InBev shared valuable insights into its water stewardship strategy, including the approach to development of new targets. Our feedback regarding updated targets was well received, and the company acknowledged our request for greater alignment with the SASB Standards Disclosure Topic.

²⁹ See page 115 for more information on case studies.

NTAM CASE STUDY ³⁰

Deutsche Bank

Due Diligence On Climate Transition Risk

THE CHALLENGE

Deutsche Bank, headquartered in Germany, is one of Europe's largest financial services companies. The bank is exposed to material financial risks and opportunities relating to the transition to a low-carbon economy. Deutsche Bank's strategy to manage these risks within its corporate banking arm is outlined in its Transition Plan, which sets out its alignment with the Net Zero Banking Alliance (NZBA) framework, among others, and its environmental and social policy (ESP) framework. In our view, Deutsche Bank's plan and policies lag its peers in several areas. For example, its ESP Framework discloses less information on its approach to lending across the energy industry.

WHAT WE DID

In the third quarter of 2024, NTAM participated in an investor roundtable hosted by Deutsche Bank's chief sustainability officer. We sought to gain a greater understanding about its positioning regarding lending to high transition risk sectors, such as the energy industry, and queried whether the ESP framework would be updated to reflect evolving market standards.

THE OUTCOME

Deutsche Bank confirmed that the ESP framework has been the topic of considerable internal discussion and will be updated. NTAM also learned of Deutsche Bank's plans to increase coverage for the NZBA's sectoral decarbonization pathways, which we consider a positive development.

³⁰ See page 115 for more information on case studies.

NTAM CASE STUDY ³¹

Sibanye Stillwater

Promoting Health And Safety

THE CHALLENGE

Sibanye Stillwater is a South African mining company. Mining and metal processing activities pose health and safety (H&S) risks for workers. Alongside operational injuries and fatalities, employees are also prone to lung-related diseases including tuberculosis and silicosis. Companies with recurring workplace injuries, fatalities, and diseases can have exposure to legal and financial challenges that can impact the company's operational costs and depress employee morale.

WHAT WE DID

Sibanye Stillwater reported 11 fatalities in 2023 (following five fatalities in 2022 and 21 in 2021). NTAM raised concerns about poor H&S performance during an engagement in the third quarter of 2024 and recommended that the company identify potential gaps in its safety management and act to reduce injuries and fatalities. The company, along with other South African mining companies, is part of a class-action lawsuit brought by claimants suffering from work-related silicosis and tuberculosis.

THE OUTCOME

Sibanye Stillwater stated that it has independently verified its safety guidelines and procedures, and provides regular training to its workers. The company is implementing critical controls and critical lifesaving behavior to achieve zero harm operations. H&S performance is also part of the company's executive remuneration framework. In 2024, the remuneration committee cut executive incentives by 30% due to poor safety records. NTAM will continue to track the company's H&S performance.

³¹ See page 115 for more information on case studies.

NTAM CASE STUDY ³²

ANTA Sports Products Limited

Promoting Enhanced Board Independence

THE CHALLENGE

Anta Sports Products, headquartered in China, produces sporting goods. In May 2023, we met with the company to provide our feedback on the structure of their board committees. We suggested that such key committees would benefit from being comprised only of non-executives, which provides for unbiased oversight and greater independence.

WHAT WE DID

In May 2024, we voted against an executive serving on the nomination committee.

THE OUTCOME

In September 2024, we had a follow-up engagement with management which revealed that Anta Sports Products' nomination committee had become fully independent. As a result, we closed the objective successfully.

EOS CASE STUDY ³²

Roche

AI Oversight in Drug Development

THE CHALLENGE

Roche, a Swiss pharmaceuticals group, is using artificial intelligence (AI) in the drug research and development process. EOS started to engage with Roche in 2020 about its management of the ethical risks associated with AI.

WHAT WE DID

To start the engagement, EOS shared its expectations on responsible AI and data governance. In subsequent engagements through to 2024, EOS challenged Roche on the development and disclosure of its AI policy.

THE OUTCOME

Roche has made good progress, publishing documents on data ethics principles and AI ethics principles. In support of this initiative, Roche has worked with ethicists to explore the appropriate collection and use of patient data.

³² See page 115 for more information on case studies. We appointed EOS to act as agent of our UCITS pooled funds in EMEA and APAC.

EOS CASE STUDY ³³

Freeport-McMoRan

Human Rights Due Diligence In Indonesia

THE CHALLENGE

Concerns have been raised about how Freeport-McMoRan, a U.S.-headquartered mining company, manages human rights risks in its Indonesia-based mining activities. In particular, questions have been asked about the impact of mining operations on local communities and mineworkers' labor rights. Working on our behalf, EOS engaged with Freeport-McMoRan on the topic.

WHAT EOS DID ON NTAM'S BEHALF

Between 2017 and 2024, EOS requested Freeport-McMoRan commission an independent human rights impact assessment (HRIA) for its Indonesian operations, in line with the UN Guiding Principles on Business and Human Rights. EOS shared what it expected from the HRIA. Specifically, it wanted to ensure that stakeholder engagement was robust and transparent, to assess the effectiveness of grievance mechanisms, and to clarify whether operations were aligned with the specific considerations for Indigenous peoples' rights.

THE OUTCOME

In 2024, Freeport-McMoRan completed the HRIA and published a public summary. An independent third-party assessed Freeport-McMoRan's oversight across 18 priority areas, including Indigenous peoples' rights. It reported positive practice by the company.

³³ See page 115 for more information on case studies. We appointed EOS to act as agent of our UCITS pooled funds in EMEA and APAC.

EOS CASE STUDY ³⁴

McDonald's

Antimicrobial Resistance Risk Management

THE CHALLENGE

McDonald's supply chain exposes it to risks arising from the overuse of antibiotics in beef, poultry, and pork. This is critical to human health as the overuse of antibiotics can lead to the spread of antibiotic-resistant bacteria from farm animals to people.

WHAT WE DID

EOS started engaging with McDonald's on antimicrobial resistance in 2017. Over the last seven years, it has engaged through collaborative letters and bilateral discussions, asking McDonald's to establish a comprehensive antibiotics policy with clear targets and implementation timelines across its poultry, beef and pork supply chains.

THE OUTCOME

Good progress has been made. As of 2024, McDonald's policy on responsible antibiotics use affirms that it has eliminated all highest-priority, critically important antimicrobials from chicken served in Australia, Brazil, Canada, Europe, Japan, South Korea, and the U.S.. Further, it expects to do so in China before the end of 2027. Additionally, the policy has market-specific targets for responsible use of antibiotics in beef for 10 in-scope markets, representing more than 80% of its supply chain, as of 2022.

During 2024, EOS raised concerns about gaps in McDonald's approach, notably the absence of targets for the pork supply chain. However, McDonald's has committed to deploying its antibiotics policy to pork for in-scope markets.

³⁴ See page 115 for more information on case studies. We appointed EOS to act as agent of our UCITS pooled funds in EMEA and APAC.

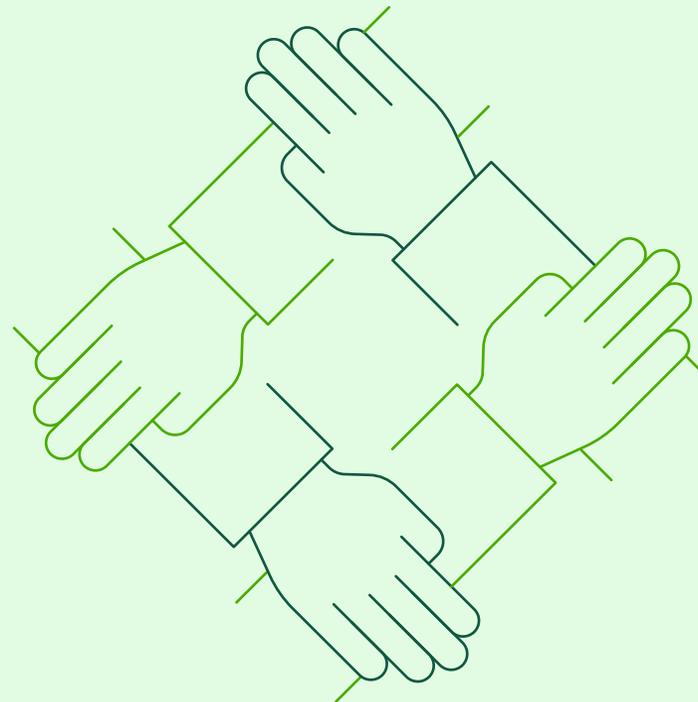
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PRINCIPLE 10

Collaboration

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



Working across markets

As a large global investment manager, we prefer to engage directly, confidentially and privately with the companies in which we invest on behalf of our clients.

We seek to be supportive of management wherever possible and build long-term relationships, allowing us to provide our insights as long-term investors. The significant majority of our engagement with the management and boards of companies is undertaken on a one-to-one basis.

We recognize that we have a role to play in improving financial markets generally, and that in some cases partnering with other investors, including our clients, in discussions with companies, regulators and standard setters is

a more efficient way to provide consistent insights, particularly in regard to the development of regulatory standards globally.

Where possible and permitted, when we believe the effectiveness of such engagement is higher, we may choose to work through trade associations or with other investors, supporting our commitment to stewardship on systemic issues, or in relation to specific companies' issues.

Participation in market groups can also provide additional insights and knowledge, and encourage the adoption of best practices, including the improvement of company policies and disclosures on material topics.

³⁵ FAIRR membership information available [here](#).

³⁶ ISSB Investor Advisory Group membership information available [here](#).

Collaborative Engagements in 2024

FAIRR³⁵

Members: 400+

Combined member investment assets: \$75 trillion

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

How NTAM contributed in 2024: We participated in two of FAIRR's engagement programs through a combination of co-signing letters and email outreach to a total of 17 companies. Our largest contribution was on the waste and pollution theme, which involved 12 companies. We also contributed to the sustainable aquaculture theme.

International Sustainability Standards Board (ISSB) Investor Advisory Group³⁶

Members: 65

Combined member investment assets: \$66 trillion

Goal: Improvements to disclosure of financially material environment, social, and corporate governance information to investors.

Continued >

Collective actions in 2024

In 2024, the organizations we worked with achieved tangible success.

The FAIRR engagement programs encouraged companies to explore more sustainable supply chains in the aquaculture industry, and improve waste and pollution risk management in the food value chain. In the real estate sector, the engagement rate for the Global Real Estate Sustainability Benchmark (GRESB) surpassed 50% in 2024, reflecting a significant increase from 39% in 2023 and 25% in 2022. More than 30 out of the 59 target companies indicated interest in the investor engagement program, signaling a rapid climb up the sustainability maturity curve by regional companies.

The Climate Action 100+ group supported engagements with an emphasis on progressing corporate climate related disclosure, and encouraging the implementation of corporate climate transition plans.

³⁷ IIGCC membership information available [here](#).

³⁸ Climate Action 100+ membership information available [here](#).

Collaborative Engagements in 2024 continued

How NTAM contributed in 2024: We participated in the Investor Advisory Group's quarterly meetings and in dialogues on the 2024 IFRS Sustainability Symposium.

Institutional Investors Group on Climate Change (IIGCC)³⁷

Members: 400+

Combined member investment assets: \$65 trillion

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

How we contributed in 2024: 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, and continued to endorse the group in 2024.

Climate Action 100+ ³⁸

Members: 600+

Combined member investment assets: \$53 trillion

Goal: Encourage consistent and comparable disclosures in line with ISSB standards.

Continued >

Collective actions in 2024

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, many governments continue to mandate regulatory changes to reduce carbon emissions. This manifests as transition risk to companies with higher emissions. Leading global policymakers and, increasingly, investors have emphasized the urgency of addressing climate risk.

Climate Action 100+ is an initiative which brings together 700 investors representing \$53 trillion in assets. Climate Action 100+ supports the ongoing effort, calling for more than 170 companies with the highest greenhouse gas emissions to reduce their emissions to net zero by 2050. The Climate Action 100+ Net Zero Company Benchmark, which tracks companies' progress on their net zero commitments, sets the framework for these engagements.

³⁹ GRESB membership information available [here](#).

Collaborative Engagements in 2024 continued

How NTAM contributed in 2024: NTAM's participation in Climate Action 100+ during 2024 was focused on understanding and managing the financial implications of climate-related risks on clients' investment portfolios, in particular those clients with sustainable investing strategies in their portfolios.

Global Real Estate Sustainability Benchmark (GRESB)³⁹

Members: ~150

Combined member investment assets: \$51 trillion

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

How NTAM contributed in 2024: We co-signed the engagement letter sent to 59 companies in the Asia-Pacific region to encourage their participation in the annual GRESB Real Estate and Infrastructure Assessment.

Continued >

Collaborative Engagements in 2024

continued

PRI Advance⁴⁰

Members: 265

Combined member investment assets: \$35 trillion

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

How we contributed in 2024: We continue to endorse the work of the Principles for Responsible Investment Advance initiative and, if feasible and based on the status of engagement group vacancies, seek to join as a collaborating investor for one or more company engagements.

Ceres Valuing Water Finance Initiative⁴¹

Members: 105

Combined member investment assets: \$17 trillion across the CERES investor network.

Goal: Encourage companies to better steward and protect freshwater resources within their business operations and global supply chains.

How we contributed in 2024: We led a collaborative engagement with Kerry Group, a major international food ingredients and consumer foods company.

The benchmark has 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.
- Reviewing their business strategies and capital investments in line with climate risk.
- 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 Taskforce on Climate-related Financial Disclosures 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 that engagement on these factors will continue to be critical. While climate matters continue to be raised through voting resolutions at shareholder meetings, we expect that positive engagements may result in fewer resolutions going forward.

In 2024, NTAM participated as engagement lead on CEZ (Czech Republic), National Grid (UK), Walmart (US), The Home Depot (US), South32 (Australia) and KEPCO (Korea).

In January 2025, NTAM made the decision to withdraw from Climate Action 100+. This decision reflects our confidence that we can independently and effectively manage material risks and engage with portfolio companies to safeguard and grow our clients' capital.

We have made and continue to make investments that support our independent stewardship and sustainable investing capabilities.

⁴⁰ PRI Advance membership information available [here](#).

⁴¹ Ceres Valuing Water Finance Initiative membership information available [here](#).

CASE STUDY ⁴²

National Grid

THE CHALLENGE

National Grid published limited information regarding its climate transition strategy and practices, including targets aligned with 1.5°C for 2030.

WHAT WE DID

As a co-lead investor in the Climate Action 100+ engagement with National Grid since 2019, we have been encouraging the company to enhance its climate-related disclosures and practices.

THE OUTCOME

We were pleased to see significant improvements in the updated 2024 climate transition plan. These included alignment with the 1.5°C targets for 2030, early adoption of the U.K.'s Transition Plan Taskforce guidance and a green capital expenditure plan based on the EU taxonomy. We supported the company's climate transition plan at the 2024 annual general meeting.

⁴² See page 115 for more information on case studies. In January 2025, NTAM made the decision to withdraw from Climate Action 100+. This decision reflects our confidence that we can independently and effectively manage material risks and engage with portfolio companies to safeguard and grow our clients' capital.

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 programs 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 \$75 trillion. In 2024, we participated in two collaborative engagement themes: Sustainable Aquaculture Phase 3 and Waste and Pollution Phase 3. We support FAIRR-coordinated engagement programs by signing letters urging companies to act on key issues and participating in engagement calls.

The Sustainable Aquaculture engagement works with seven of the largest salmon producers to reduce their reliance on fish meal and fish oil from wild forage fish, aiming to mitigate biodiversity risks linked to feed supply and identify new opportunities. Building on the success of earlier phases, Phase 3 has already seen progress from all companies on key engagement goals, including sourcing deforestation-free soy and diversifying their feed ingredient portfolios.

After two phases of the Waste and Pollution engagement theme, we are beginning to see progress, with 83% of companies showing improved disclosure on risk assessment for processing facilities. Phase 3 will build on this momentum, seeking progress on areas including supply chain risk assessments and enhanced disclosure on water quality risks.

Waste and Pollution engagement

83% of companies show improved disclosure on risk assessment for processing facilities

GRESB: Clear, Concise and Consistent Sustainability Reporting

Access to accurate and comparable company sustainability data remains a challenge for investors.

GRESB is dedicated to promoting the standardization of sustainability 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' sustainability and climate-related commitments against industry peers. We encourage real estate companies to engage in GRESB assessments, as we believe that transparency can lead to better shareholder outcomes.

In 2024, we joined 16 other global investors, representing over \$5 trillion in assets under management, by sending letters to encourage 59 listed real estate and infrastructure companies across 12 markets in Asia Pacific to join GRESB. While progress has been gradual, there has been consistent momentum: 49% of the 59 companies acknowledged the investor letter and 12 companies across eight markets engaged with investors to discuss their net zero commitments and plans. Four companies signed up for the 2024 GRESB Real Estate Assessment.

One example of a leader in this space is White Peak, a Swedish fund manager and residential property developer in China. White Peak has leveraged GRESB as a key tool to assess and enhance its sustainability performance, maintaining a five-star rating since 2017 and earning four sector leader recognitions. White Peak's investors prioritize transparency and sustainability, particularly in China's complex real estate market. Despite challenges such as high land costs, regulatory pressures, and limited consumer demand for green housing, White Peak remains committed to sustainable development, integrating innovative technologies and environmentally-friendly construction practices. Looking ahead to 2025, White Peak aims to reduce carbon emissions, improve energy efficiency, and implement sustainable procurement across all projects. Additionally, the company remains dedicated to worker safety, community development, and customer satisfaction, reinforcing its leadership in responsible urban development in China.

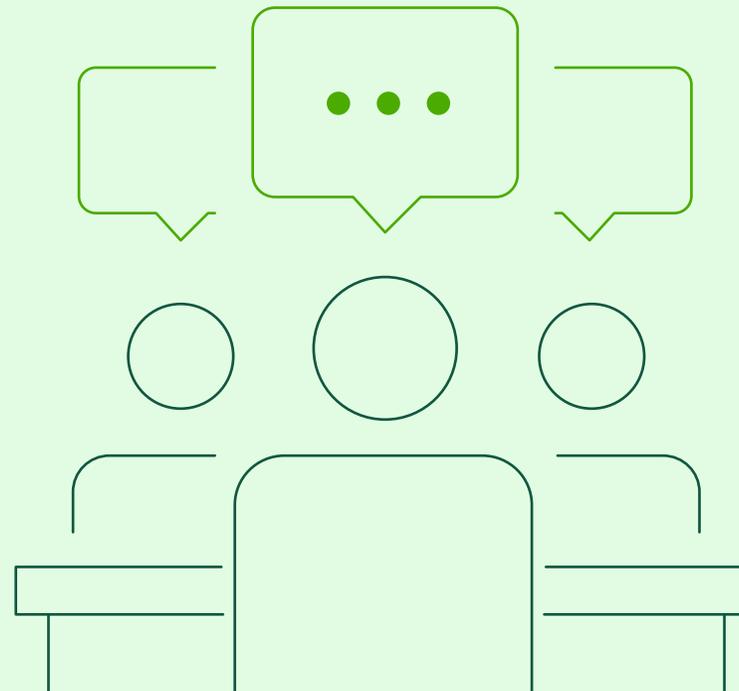
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PRINCIPLE 11

Escalation

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



Escalation

We assess a company's responsiveness to the topics we raised, to determine whether further dialogue or additional steps are required.

If we determine that tangible progress has not occurred over an appropriate time horizon, we will seek to highlight and discuss our concerns with the company through further engagement with senior executives and non-executive board members, or the board chair. These investment actions may include reducing our 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 decide 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, when 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.

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

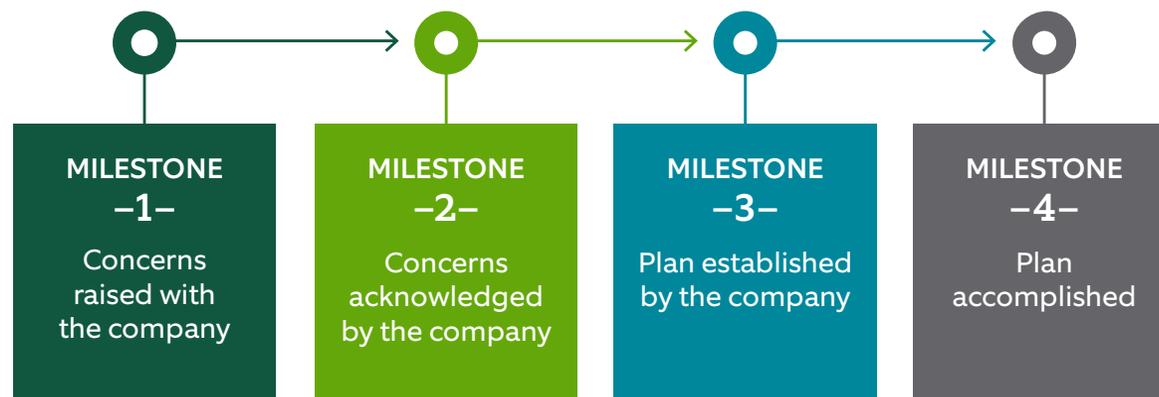
Milestones to Track Success

To track the progress of our engagement, we set clear objectives and use milestones.

Each milestone represents an accomplishment and a step towards reaching a defined SMART (specific, measurable, attainable, realistic, timely) objective. The chart below provides details of each milestone. Our engagement partner, EOS at Federated Hermes, has also implemented a tracking approach based upon similar engagement milestones, providing for a consistent framework.

To initiate engagement with companies in which we have identified material sustainability or corporate governance related risks, we request a dialogue with representatives of the board of directors. Throughout the engagement cycle, 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.

Measuring Progress in Engagement

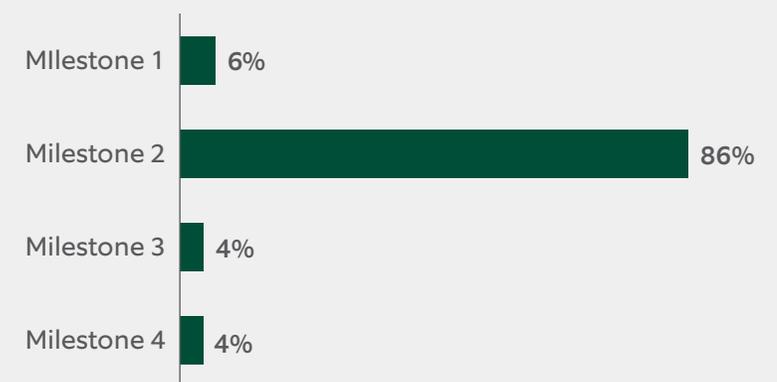


Source: NTAM.

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.

2024 NTAM Direct Engagements by Milestone



Source: NTAM.

CASE STUDY ⁴³

Shell

Requesting Clarification On Climate Transition Strategy

THE CHALLENGE

Shell, headquartered in the U.K., is one of the world's largest integrated oil and gas companies. Since Shell first gave shareholders a vote on its climate strategy in 2021, it has altered its goals. The target for a 45% reduction in net carbon intensity by 2035 has been discontinued, and the target for a reduction in the net carbon intensity from sold products by 2030 has been revised downward, from 20% to 15-20%. At Shell's 2024 annual general meeting, there were two climate-related resolutions: management's proposal to approve Shell's Energy Transition Strategy ('Say on Climate') and a shareholder resolution requesting the company align its medium-term emissions reduction targets with the goals of the Paris Agreement.

WHAT WE DID

In the second quarter of 2024, NTAM engaged Shell ahead of its annual general meeting to discuss its updated climate strategy and management's response to the shareholder proposal. We sought clarification on Shell's assertion that its strategy was Paris-aligned and encouraged greater transparency regarding its climate risk strategy in the medium term, reflecting our concerns as long-term investors.

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.

⁴³ See page 115 for more information on case studies.

CASE STUDY ⁴⁴

Prosus

Aligning Executive Pay With Long-Term Shareholders

THE CHALLENGE

Prosus, headquartered in The Netherlands, is an investor in, and operator of, internet platforms and ecommerce providers. The company faced concerns about its remuneration practices ahead of its 2024 annual meeting because the outgoing CEO had received a full year's pay despite serving just six months. Further, parts of the CEO's long-term incentive plan vested after only one year, against best practice, and included a substantial so-called 'moonshot' award of \$100 million (fair value at grant date) was given to the CEO, potentially rewarding factors beyond his control.

WHAT WE DID

In the third quarter of 2024, NTAM engaged Prosus ahead of its annual general meeting on behalf of our equity and fixed income position to raise concerns regarding executive pay and seek a greater understanding of the remuneration committee's decisions.

THE OUTCOME

NTAM voted against both the remuneration report and the remuneration policy at the annual meeting. In our view, the executive remuneration practices were not aligned with shareholder interests, and the company's rationale was not sufficient. The remuneration report and the remuneration policy were voted against by 16% and 17% of shareholders respectively. This translates to significant opposition from minority shareholders as Prosus is majority owned by Naspers.

⁴⁴ See page 115 for more information on case studies.

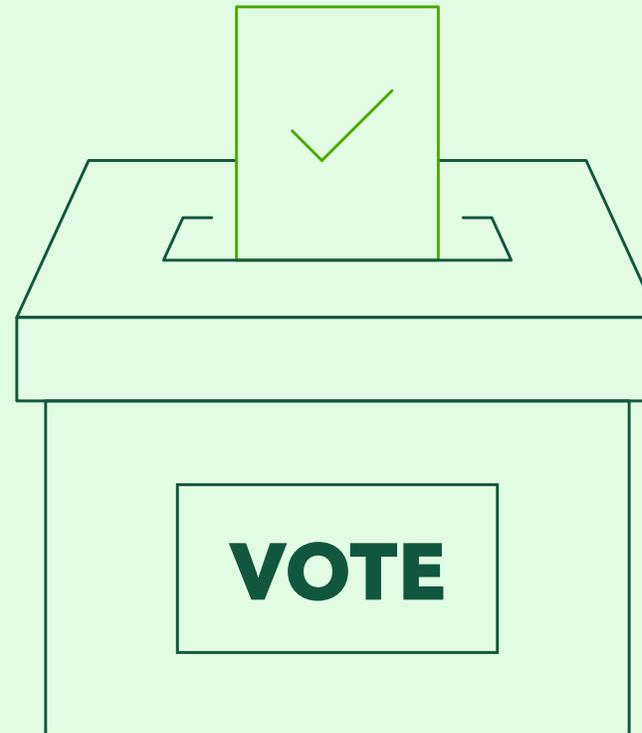
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PRINCIPLE 12

Exercising Rights and Responsibilities

Signatories actively exercise their rights and responsibilities.



Integrating Engagement and Proxy Voting

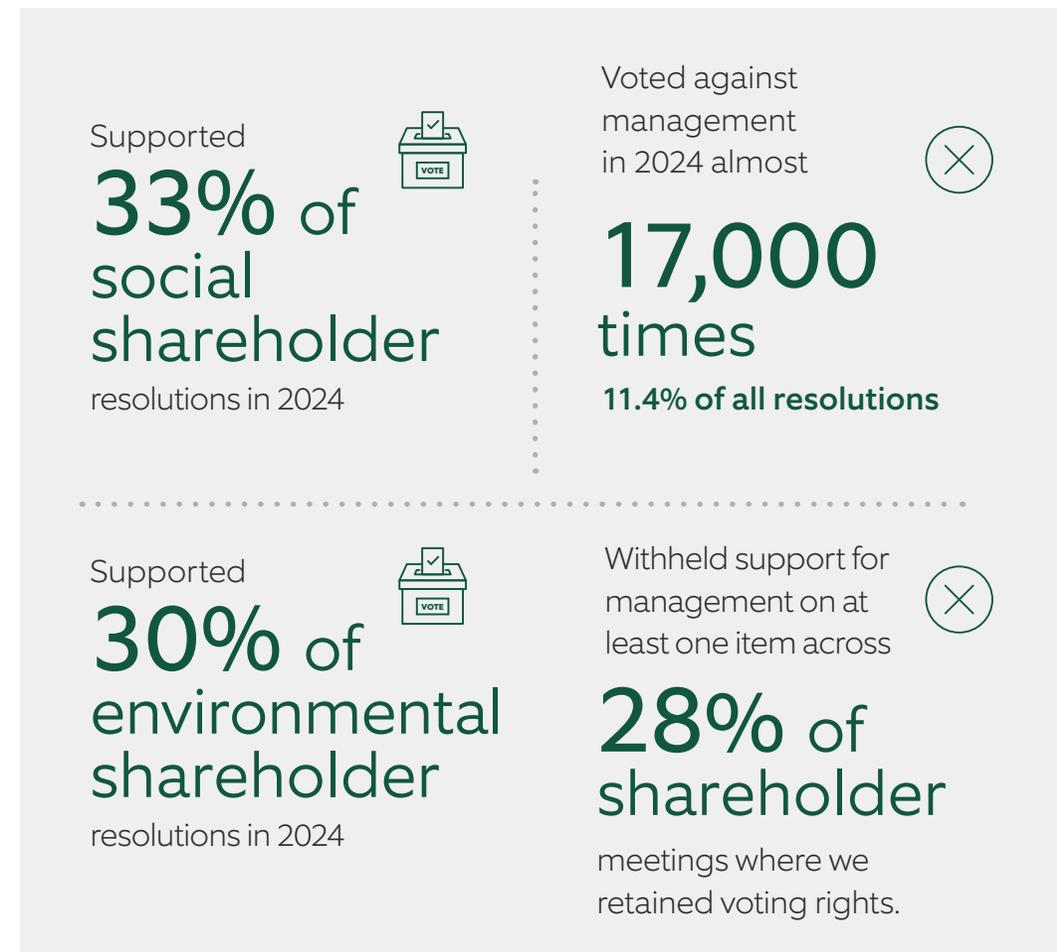
We believe that a combination of engagement and voting is key for an effective stewardship approach, and applying them in tandem is core to our approach

The stewardship team coordinates across our internal research teams, taking into account insights derived from engagements when reviewing voting decisions. We may choose to support shareholder proposals when we believe the request would be of benefit to shareholders. We may choose to oppose management proposals when we have concerns related to the impact to shareholder value, shareholder rights, or when companies have not progressed sufficiently on engagement objectives (see Principle 11).

In summary, we⁴⁵:

- Voted against management on almost 17,000 resolutions, 11.4% of all resolutions. See [Appendix 1](#) for more details.
- Supported 33% of social and 30% of environmental shareholder resolutions where we were able to vote.
- Withheld support for management on at least one item across 28% of shareholder meetings where we retained voting rights.

⁴⁵ Voting statistics represent the votes cast by NTAM in line with our custom set of guidelines — the Northern Trust proxy voting policies and procedures. Statistics do not include votes cast by clients through Proxy Voting Choice or in select sustainability funds which subscribe to alternative voting policies.



Our Approach to Proxy Voting

Voting rights have economic value and provide the opportunity for shareholders, as company owners, to provide their views to management on a range of topics.

Voting rights have economic value and provide the opportunity for shareholders, as company owners, to provide their views to management on a range of topics. The exercise of voting rights is a fundamental part of our stewardship activities. As a leading investment 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.⁴⁶ For instance, a 2023 study

found that companies suffering a large number of votes against board composition, tenure, and activity levels improved their board composition in the following year.⁴⁷ This research also showed the willingness of management to negotiate on resolutions proposed by shareholders with the backing of institutional investors.

We have established clear [proxy voting policies, procedures](#) and [guidelines](#) to support a thoughtful approach to proxy voting. We engage with boards ahead of general meetings where appropriate. This approach provides a clear link between our engagement and voting decisions.

See [our online disclosure webpage](#) to explore how we voted on in 2024.

⁴⁶ Bauer, Rob et al: "Who Withdraws Shareholder Proposals and Does It Matter? An Analysis of Sponsor Identity and Pay Practices." 5 February 2015. Available at <https://dx.doi.org/10.2139/ssrn.1885392>.

⁴⁷ Michaely, Roni, et al: "ECGI Working Paper Series in Finance: Voting Rationales, Working Paper No 928/2023." 29 July 2023. Available at <http://dx.doi.org/10.2139/ssrn.4521854>.



We vote across all markets in which we invest, except where the practice of voting impedes our ability to manage a portfolio, or the logistics involved in voting are prohibitive. When voting proxies, we aim to ensure that they are voted in the best financial interests of our clients.

We will generally vote in accordance with our proxy voting policies, procedures and guidelines.

We do not declare our voting intentions in advance but may privately inform a company, when time allows and we have been engaging with the company. In some cases, we will do so after the meeting has taken place.

We generally encourage clear reporting that enables shareholders to evaluate the impact of sustainability and corporate governance 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.

Examples of how we voted on key issues in 2024 are found below.

Executive Pay (compensation) Policy

At a high level, NTAM believes that compensation plans should be well-designed to motivate executives to achieve strong results for stakeholders, while mitigating the motivation to take excessive risks. Boards and compensation committees are best positioned to make compensation decisions and should be afforded some degree of flexibility in designing and administering compensation programs. At the same time, we believe that many companies need to provide better disclosure around the structure and reasoning of their pay programs.

In examining compensation proposals, NTAM takes into account pay-for-performance alignment, effectiveness of governance practices, and the company's overall transparency and level of responsiveness to shareholder concerns. We view each proposal in a holistic manner,

considering multiple points of view, before arriving at a final vote decision.

Many jurisdictions require companies to disclose executive compensation as part of the regulatory frameworks (e.g., the SEC in the U.S, or the U.K.'s Corporate Governance Code). Lack of transparency can result in legal penalties and damage a company's standing with regulators.

Transparency in executive remuneration is a key component of corporate governance, ensuring that compensation aligns with company performance, fostering stakeholder trust, and ensuring regulatory compliance. As public scrutiny intensifies, companies that prioritize transparency in this area are better positioned to maintain their reputations and mitigate potential risks.

For example, in 2024 NTAM voted against the remuneration report at Kuehne + Nagel International, a Swiss-listed global logistics company. This was driven by the limited disclosure regarding the short-term incentive plan, which did not specify the

achievements that led to the corresponding pay out. Additionally, the long-term incentive plan operates as a share matching plan that contains no performance conditions. The proposal received dissent of 22.9%.

Overboarding

There are benefits to having directors with outside commitments on the board, including 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 overboarded directors, with too many commitments, is that they can neglect their duty to provide oversight.

The NYSE Corporate Governance Guide finds in its research that the presence of over-committed directors may negatively affect performance and monitoring.⁴⁸

⁴⁸ NYSE: Corporate Governance Guide, December 2014. Available [here](#).

While NTAM recognizes the benefits outside board experience can bring — particularly in ensuring a range of perspectives 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 2024, we opposed the election of 551 directors across holdings in developed markets where we felt the number of board seats held by a director was too high.

Shareholder Proposals

In 2024, we supported 33% of social and 30% of environmental shareholders resolutions where we were able to vote. Our support for shareholder proposals has declined when compared to previous years due to several factors. Firstly, although in recent years many companies have significantly improved their sustainability disclosures, we have observed a continuation of proposals filed with companies requesting further disclosure despite improvements. In some cases, proposals have requested similar data to that already available, but not exactly meeting the proponent's requirements. There has also been an increase in the prescriptive nature of such proposals, which has led to an overall reduction in aggregate shareholder support.

As a long-term investment manager, we prioritize proposals with a clear, demonstrable material financial impact, ensuring that our support is directed towards initiatives that provide tangible benefits and disclosure requests that we find useful. We believe that each shareholder resolution requires unique analysis, and we carefully examine these on a case-by-case basis to make informed decisions that align with our clients' best interests.

Examples of votes against shareholder sponsored proposals:

Kellanova

At Kellanova's 2024 annual general meeting, a non-binding shareholder proposal was submitted requesting a report on the risks to the company associated with pesticide use in its supply chain.

The company provides some disclosure regarding various strategies it has adopted to manage the risks associated with pesticide use in the supply chain and has committed to providing Taskforce on Nature-related Financial Disclosures (TNFD) and Global Reporting Initiative (GRI) aligned disclosures by 2026. In our view, this will enhance the company's reporting on pesticide use, substantially addressing the concerns raised in the shareholder proposal submitted.

Consequently, we voted against the shareholder proposal at the annual general meeting requesting additional disclosure on the risks associated with pesticide use in its supply chain.

RTX Corporation

At RTX's 2024 annual general meeting, a non-binding shareholder proposal was submitted requesting the company to report on its efforts to reduce full value chain emissions in alignment with the Paris Agreement's 1.5 °C goal.

RTX has committed to achieve net-zero emissions by 2050 through organizations like the Air Transport Action Group and the International Civil Aviation Organization, and

has developed intermediate Scope 1 and 2 reduction goals. The company discloses its progress towards achieving the intermediate targets and dedicates a significant portion of its ESG report to discussing those efforts. Regarding Scope 3 emissions, it has recently quantified and disclosed upstream transportation and distribution emissions, and expanded reporting of the use of sold products, which appear to comprise a significant portion of Scope 3 emissions, to now include certain military aircraft and various power and control systems.

The company has also committed to developing a carbon transition plan by 2025. It expects to produce a three-year plan in collaboration with the International Aerospace Environmental Group to solve various supply chain and emissions issues.

While additional information would be beneficial, the company has made substantive improvements to its Scope 3 emissions and has committed to developing a carbon transition plan by 2025.

Consequently, we voted against the shareholder proposal at the annual general meeting requesting additional climate related disclosures.

CASE STUDY ⁴⁹

Seeking to Improve Corporate Governance in APAC and Emerging Markets

In March 2024, we sent individual post-season letters to 220 companies in our portfolios, listed on equity markets in Hong Kong, Singapore and emerging markets (such as India, Taiwan, Brazil, and Saudi Arabia) where we had voted against management proposals at 2023 shareholder meetings.

Through these letters, we informed selected companies of our voting decisions and rationale, providing our feedback on a range of topics we consider to be important for company performance.

⁴⁹ See page 115 for more information on case studies.

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, policies, procedures or guidelines may be enacted by a majority vote of those committee members present (in person or by proxy) at a Proxy Committee meeting.

Proxy Voting Service

We have retained ISS, a specialist provider, to support in the implementation of the Northern Trust proxy voting policies and procedures.

For proxy proposals that are to be reviewed on a case-by-case basis, we provide supplementary instructions to Institutional Shareholder Services (ISS). We have instructed ISS 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 actual or potential conflicts of interests.

Application of Proxy Guidelines

We apply our proxy guidelines flexibly, in accordance with the best financial 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 determines 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.

Except for 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

Our culture, appreciation for risk and sense of purpose shape our approach to stewardship, which we consider to be a fundamental part of our investment approach. Central to our active ownership activities is the effective use of voting rights that underpin the outcomes we are seeking to achieve on behalf of our clients through our engagement program.

However, we also understand that client values, goals, and principles can vary greatly, and we seek to ensure that within our stewardship program we are flexible in how voting rights are exercised. We recognize that stewardship practice is continually evolving, especially in relation to engagement and proxy voting. In that respect, in 2024 NTAM was pleased to introduce Proxy Voting Choice, the ability for investors in certain funds to select the guidelines upon which their proxy votes are cast.

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 are 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. 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 have authority to vote.

In 2024, of the 16,254 annual shareholder meetings that included voting matters, we voted at 15,750, or 97%. 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 acting.
- **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.

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](#).

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 (considering 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.

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- 03 [PRINCIPLE 1](#)
Purpose, Strategy and Culture
- 04 [PRINCIPLE 2](#)
Governance, Resources and Incentives
- 05 [PRINCIPLE 3](#)
Conflicts of Interest
- 06 [PRINCIPLE 4](#)
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APPENDIX 1

Votes Against Management by Topic ▶

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Northern Trust Asset Management Engagements by Company ▶

APPENDIX 3

Participation in Organizations ▶

APPENDIX 4

Mapping with the New Zealand Stewardship Code ▶

APPENDIX 1

Votes Against Management by Topic (%)

	EMEA		U.S. & Canada		APAC Developed Markets		Emerging Markets and Other Markets		Overall	
Management Proposals	Proposals	% VAM	Proposals	% VAM	Proposals	% VAM	Proposals	% VAM	Proposals	% VAM
Auditors										
Auditor Ratification, Fix Remuneration of Auditors	2,024	3%	4,438	1%	876	2%	1,747	2%	9,085	2%
Compensation	4,943	4%	5,395	13%	2,239	4%	4,511	28%	17,088	13%
Management Say on Pay (MSOP)	3,646	3%	3,385	3%	979	2%	3,291	18%	11,301	7%
Equity Based	652	5%	1,248	31%	868	5%	541	65%	3,309	25%
Other Compensation Related (M)	645	11%	762	26%	392	7%	679	48%	2,478	25%
Director Related	10,839	10%	29,313	10%	13,290	15%	12,303	17%	65,745	12%
Uncontested Director Elections	8,411	12%	29,142	10%	12,616	15%	5,863	23%	56,032	13%
Contested Director Elections	113	13%	171	11%	674	22%	5,716	11%	6,674	12%
Other Director Related (M)	2,315	1%	-	-	-	-	724	8%	3,039	2%
Strategic Transactions	357	6%	308	5%	1,289	18%	4,643	20%	6,597	18%
Corporate Transactions	109	8%	73	18%	485	39%	1,619	27%	2,286	29%
Mergers & Acquisitions	62	6%	233	0%	352	1%	289	38%	936	13%
Related-Party Transactions	186	5%	2	50%	452	8%	2,735	13%	3,375	12%
Capitalization	3,700	9%	1,033	11%	2,618	35%	3,022	8%	10,373	15%
Capital Issuance/Capital Increase	1,926	9%	366	19%	1,106	80%	635	10%	4,033	29%
Capital Structure Related	1,766	8%	667	6%	1,195	1%	1,762	6%	5,390	6%
Debt-Related	8	0%	-	-	317	6%	625	9%	950	8%
Governance	9,261	5%	1,909	14%	5,777	8%	19,167	11%	36,114	9%
Amend Articles/Bylaws/Charter	440	3%	135	3%	645	22%	2,712	23%	3,932	20%
Other Governance (M)	8,821	5%	1,774	15%	5,132	6%	16,455	9%	32,182	8%
Environment										
Management Climate-Related Proposal	32	19%	2	0%	4	50%	4	1	42	24%
Total	31,156	7%	42,398	10%	26,093	14%	45,397	15%	145,044	11%

Uncontested Director Elections items combines 6 management resolutions and 2 shareholder resolutions. Contested Director Election item combines 4 management resolutions and 6 shareholder resolutions.

*Includes items such as the appointment of internal statutory auditors which ISS have classified as shareholder resolutions

Source: Northern Trust Asset Management.

APPENDIX 1

Votes Against Management by Topic (%) (Continued)

Shareholder Proposals	EMEA		U.S. & Canada		APAC Developed Markets		Emerging Markets and Other Markets		Overall	
	Proposals	% VAM	Proposals	% VAM	Proposals	% VAM	Proposals	% VAM	Proposals	% VAM
Environment	24	17%	147	33%	56	29%	-	-	227	30%
Adopt or Report on GHG Emissions and Emissions Targets	10	40%	37	41%	2	50%	-	-	49	41%
Report on Climate Change	-	-	19	58%	10	100%	-	-	29	72%
Other Environmental (Combined)	14	0%	91	25%	44	11%	-	-	149	19%
Social	6	0%	296	33%	4	100%	-	-	306	33%
Human Capital Management and EEO	2	0%	43	33%	1	100%	-	-	46	33%
Human Rights and Weapons Related	2	0%	32	34%	-	-	-	-	34	32%
Political Campaign and Lobbying and Charitable Contributions	1	0%	77	55%	3	100%	-	-	81	56%
Product Safety and Supply Chain Management	1	0%	31	16%	-	-	-	-	32	16%
Other Social (Combined)	-	-	113	22%	-	-	-	-	113	22%
Governance	409	2%	342	30%	625	15%	783	5%	2,159	11%
Provide or Amend Right to Call Special Meeting	-	-	27	44%	-	-	-	-	27	44%
Reduce Supermajority Voting Standard	-	-	44	66%	-	-	-	-	44	66%
Other Governance (SHP) Combined*	409	2%	271	22%	625	15%	783	5%	2,088	10%
Total	439	3%	785	31%	685	16%	783	5%	2,692	15%

Uncontested Director Elections items combines 6 management resolutions and 2 shareholder resolutions. Contested Director Election item combines 4 management resolutions and 6 shareholder resolutions.

*Includes items such as the appointment of internal statutory auditors which ISS have classified as shareholder resolutions

Source: Northern Trust Asset Management.

APPENDIX 2

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	United States	North America	Industrials	Yes	1	Direct	G	M1	
Accenture Plc	United States	North America	Information Technology	Yes	1	Direct	S		8
adidas AG	Germany	EMEA	Consumer Discretionary	No	1	Direct	G	M2	
Advantest Corp.	Japan	APAC	Information Technology	No	1	Direct	ESG	M2	5 7 8 9 10 12 13
Air Liquide SA	France	EMEA	Materials	No	1	Direct	E	M1	2 6 7 9 12 13 14
Airbus SE	France	EMEA	Industrials	Yes	1	Direct	ES	M1	7 8 9 12 13
Alcon AG	Switzerland	EMEA	Health Care	Yes	1	Direct	EG	M2	7 9 12 13
Alliant Energy Corporation	United States	North America	Utilities	Yes	1	Direct	GR		
Alpha Services & Holdings SA	Greece	EMEA	Financials	Yes	1	Direct	G		
Alphabet Inc.	United States	North America	Communication Services	Yes	1	Direct	SG		3 12
Amazon.com, Inc.	United States	North America	Consumer Discretionary	Yes	1	Direct	SG		
American Electric Power Company, Inc.	United States	North America	Utilities	Yes	1	Direct	R		
American Express Company	United States	North America	Financials	Yes	1	Direct	EGR	M2	13
American International Group, Inc.	United States	North America	Financials	Yes	1	Direct	EGR	M2	13
Analog Devices, Inc.	United States	North America	Information Technology	Yes	1	Direct	GR	M3	
Anheuser-Busch InBev SA/NV	Belgium	EMEA	Consumer Staples	Yes	1	Direct	ES	M2	2 3 6 8 12 14
ANSYS, Inc.	United States	North America	Information Technology	No	1	Direct	G	M3	
ANTA Sports Products Ltd.	Hong Kong	APAC	Consumer Discretionary	No	1	Direct	ESGR	M4	2 5 8 10 13 15
APA Group	Australia	APAC	Utilities	No	1	Direct	EG	M2	7 9 12 13
Apple Inc.	United States	North America	Information Technology	Yes	1	Direct	R		
ArcelorMittal SA	Netherlands	EMEA	Materials	Yes	1	Direct	E	M2	7 9 12 13
Asahi Group Holdings,Ltd.	Japan	APAC	Consumer Staples	No	1	Direct	ESG	M2	2 5 6 8 10 14
Ashtead Group plc	United Kingdom	EMEA	Industrials	No	1	Direct	G		
AT&T Inc.	United States	North America	Communication Services	Yes	1	Direct	R		
Baidu, Inc.	Hong Kong	APAC	Communication Services	Yes	1	Direct	SG	M2	5 8 10



APPENDIX 2: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

B – C

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
Baker Hughes Company	United States	North America	Energy	Yes	1	Direct	R		
Banco Bilbao Vizcaya Argentaria, S.A.	Spain	EMEA	Financials	Yes	1	Direct	ER	M3	7 9 12 13
Banco Santander, S.A.	Spain	EMEA	Financials	Yes	1	Direct	EGR	M2	7 9 12 13 15
Bank of America Corp	United States	North America	Financials	Yes	1	Direct	EG	M2	13
Bank of China Limited	Hong Kong	APAC	Financials	No	1	Direct	ESG	M2	5 7 8 9 10 12 13 15
Bank of New York Mellon Corp	United States	North America	Financials	Yes	1	Direct	GR		
Barclays PLC	United Kingdom	EMEA	Financials	Yes	2	Direct	ER	M2	7 9 12 13
Best Buy Co., Inc.	United States	North America	Consumer Discretionary	Yes	1	Direct	ER	M2	6 13 14 15
BHP Group Ltd	Australia	APAC	Materials	Yes	1	Direct	E	M2	7 9 12 13
Bid Corporation Limited	South Africa	EMEA	Consumer Staples	No	1	Direct	G	M2	
BlackRock, Inc.	United States	North America	Financials	Yes	1	Direct	EG	M2	7 9 12 13
Bloomin' Brands, Inc.	United States	North America	Consumer Discretionary	Yes	1	Direct	EG	M3	13
BNP Paribas S.A.	France	EMEA	Financials	Yes	1	Direct	ESR	M2	7 8 9 12 13
BP p.l.c.	United Kingdom	EMEA	Energy	Yes	1	Direct	E	M2	7 9 12 13
Broadcom Inc.	United States	North America	Information Technology	Yes	1	Direct	G		
Canon Inc.	Japan	APAC	Information Technology	No	1	Direct	EG	M2	5 7 9 10 12 13
Carlsberg AS	Denmark	EMEA	Consumer Staples	No	1	Direct	ES		2 6 8 14
Carrefour SA	France	EMEA	Consumer Staples	Yes	1	Direct	G	M2	
Caterpillar Inc.	United States	North America	Industrials	Yes	2	Direct	SGR		8
Celltrion, Inc.	South Korea	APAC	Health Care	No	1	Direct	SGR	M4	3 5 8 10 12
Central Japan Railway Company	Japan	APAC	Industrials	No	1	Direct	ESG	M2	3 5 7 8 9 10 12 13
CEZ as	Czech Republic	EMEA	Utilities	No	2	Collaborative	E	M4	7 9 12 13
Check Point Software Technologies Ltd.	United States	North America	Information Technology	No	1	Direct	SGR	M2	8 10
China Construction Bank Corporation	Hong Kong	APAC	Financials	Yes	1	Direct	GR	M4	5 10
China Literature Ltd.	Hong Kong	APAC	Communication Services	Yes	1	Direct	G	M2	
China Mengniu Dairy Co., Ltd.	Hong Kong	APAC	Consumer Staples	No	1	Direct	ESGR	M2	2 5 6 7 8 9 10 12 13 14
China Steel Corporation	Taiwan	APAC	Materials	No	1	Direct	ESG	M2	5 7 8 9 10 12 13
Chipotle Mexican Grill, Inc.	United States	North America	Consumer Discretionary	No	1	Direct	ESGR	M2	3 12 13
Chugai Pharmaceutical Co., Ltd.	Japan	APAC	Health Care	No	1	Direct	ESG	M2	3 5 6 8 10 12 14
Citigroup Inc.	United States	North America	Financials	Yes	1	Direct	EG	M3	7 9 12 13
CK Hutchison Holdings Ltd	Hong Kong	APAC	Industrials	Yes	1	Direct	ESG	M2	3 7 8 9 12 13 15



APPENDIX 2: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

C – E

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
Coca-Cola Company	United States	North America	Consumer Staples	Yes	1	Direct	G	M2	
Coles Group Ltd.	Australia	APAC	Consumer Staples	No	1	Direct	ESGR	M3	3 5 7 8 9 10 12 13 15
Colgate-Palmolive Company	United States	North America	Consumer Staples	Yes	2	Direct	EG	M2	6 12 14 15
Comcast Corporation	United States	North America	Communication Services	Yes	1	Direct	GR		
Commonwealth Bank of Australia	Australia	APAC	Financials	Yes	1	Direct	ESG	M2	7 8 9 10 12 13
Conagra Brands, Inc.	United States	North America	Consumer Staples	Yes	2	Direct	ESG	M4	3 12 14 15
Constellation Energy Corporation	United States	North America	Utilities	Yes	1	Direct	GR		
Cracker Barrel Old Country Store, Inc.	United States	North America	Consumer Discretionary	No	1	Direct	E	M2	13
Crescent Energy Company	United States	North America	Energy	No	1	Direct	G		
Cross Country Healthcare, Inc.	United States	North America	Health Care	No	1	Direct	GR	M2	
Daiichi Sankyo Company, Limited	Japan	APAC	Health Care	No	1	Direct	ESG	M2	3 5 6 8 10 12 14
DAIKIN INDUSTRIES, LTD.	Japan	APAC	Industrials	No	1	Direct	ESG	M2	3 7 8 9 10 12 13
Daiwa House Industry Co., Ltd.	Japan	APAC	Real Estate	No	1	Direct	SG	M2	5 8 10
Danone SA	France	EMEA	Consumer Staples	Yes	1	Direct	ES		7 8 9 10 12 13
Dassault Systemes SE	France	EMEA	Information Technology	No	1	Direct	G	M2	
Deere & Company	United States	North America	Industrials	Yes	1	Direct	G		
Deutsche Bank Aktiengesellschaft	Germany	EMEA	Financials	Yes	1	Direct	E	M2	7 9 12 13
Diageo plc	United Kingdom	EMEA	Consumer Staples	Yes	1	Direct	E	M2	2 6 14
Dick's Sporting Goods, Inc.	United States	North America	Consumer Discretionary	Yes	1	Direct	S		5 10
Dollar General Corporation	United States	North America	Consumer Staples	Yes	1	Direct	ESG	M2	2 3 6 8 13 14
Dollar Tree, Inc.	United States	North America	Consumer Staples	Yes	1	Direct	ER		7 9 12 13
Dominion Energy Inc	United States	North America	Utilities	Yes	1	Direct	GR		
DTE Energy Company	United States	North America	Utilities	Yes	1	Direct	EGR		7 9 12 13
Ecolab Inc.	United States	North America	Materials	Yes	3	Direct	EG	M2	12 14 15
Enel SpA	Italy	EMEA	Utilities	Yes	1	Direct	E		7 9 12 13
ENEOS Holdings, Inc.	Japan	APAC	Energy	No	1	Direct	EG		7 9 12 13
ENGIE S.A.	France	EMEA	Utilities	Yes	1	Direct	E	M2	7 9 12 13
EOG Resources, Inc.	United States	North America	Energy	Yes	1	Direct	E	M4	2 6 14
Equinor ASA	Norway	EMEA	Energy	Yes	1	Direct	E	M2	7 9 12 13
Etsy, Inc.	United States	North America	Consumer Discretionary	No	1	Direct	SGR	M2	8 10
Exelon Corporation	United States	North America	Utilities	Yes	1	Direct	R		



APPENDIX 2: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

E – I

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
Exxon Mobil Corporation	United States	North America	Energy	Yes	1	Direct	EG		7 9 12 13
FirstEnergy Corp.	United States	North America	Utilities	Yes	1	Direct	R		
Fortescue Ltd	Australia	APAC	Materials	Yes	1	Direct	ESG	M4	2 6 7 8 9 10 11 12 13 14
Fosun International Limited	Hong Kong	APAC	Industrials	Yes	1	Direct	G	M2	
Freeport-McMoRan, Inc.	United States	North America	Materials	Yes	1	Direct	E		2 6 14
FUJIFILM Holdings Corp	Japan	APAC	Information Technology	No	1	Direct	ESG	M4	5 7 8 9 10 12 13
Gap, Inc.	United States	North America	Consumer Discretionary	Yes	1	Direct	SG		5 10
Genting Singapore Limited	Singapore	APAC	Consumer Discretionary	No	1	Direct	G	M2	5 10
Glencore plc	United Kingdom	EMEA	Materials	Yes	1	Direct	E	M2	7 9 12 13
Gold Fields Limited	South Africa	EMEA	Materials	No	1	Direct	ESG	M2	2 3 6 7 8 9 12 13 14
Goodman Group	Australia	APAC	Real Estate	Yes	1	Direct	G		
GSK plc	United Kingdom	EMEA	Health Care	Yes	1	Direct	G		
Heineken NV	Netherlands	EMEA	Consumer Staples	No	1	Direct	ES	M2	2 6 8 14
Hindustan Unilever Limited	India	APAC	Consumer Staples	No	1	Direct	ESGR	M2	3 6 7 8 9 12 13 14 15
Home Depot, Inc.	United States	North America	Consumer Discretionary	Yes	1	Collaborative	E	M2	13
Hon Hai Precision Industry Co., Ltd.	Taiwan	APAC	Information Technology	No	1	Direct	ESG	M2	3 7 8 9 10 12 13
Honeywell International Inc.	United States	North America	Industrials	Yes	1	Direct	R		
Hope Bancorp, Inc.	United States	North America	Financials	No	1	Direct	GR		
HOYA CORPORATION	Japan	APAC	Health Care	No	1	Direct	ESG	M2	2 5 6 7 8 9 10 12 13 14
HSBC Holdings Plc	United Kingdom	EMEA	Financials	Yes	2	Direct	EG	M2	7 9 12 13 14 15
Huntington Bancshares Incorporated	United States	North America	Financials	Yes	1	Direct	EGR		7 9 12 13
Hyundai Motor Company	South Korea	APAC	Consumer Discretionary	No	1	Direct	ESG	M2	3 5 7 8 9 10 12 13
Iberdrola SA	Spain	EMEA	Utilities	Yes	1	Direct	E	M2	7 9 12 13
ICICI Bank Limited	India	APAC	Financials	No	1	Direct	SGR	M2	5 10
Impala Platinum Holdings Limited	South Africa	EMEA	Materials	No	1	Direct	ESG	M3	3 7 8 9 12 13
Intel Corporation	United States	North America	Information Technology	Yes	2	Direct	GR		
Intercontinental Exchange, Inc.	United States	North America	Financials	Yes	1	Direct	GR		
International Business Machines Corporation	United States	North America	Information Technology	Yes	1	Direct	R		
Itochu Corporation	Japan	APAC	Industrials	No	1	Direct	ESG	M2	5 7 8 9 10 12 13 15



APPENDIX 2: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

J – 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
Japan Tobacco Inc.	Japan	APAC	Consumer Staples	No	1	Direct	ESG	M2	7 8 9 12 13 15
JBS S.A.	Brazil	Latin America	Consumer Staples	Yes	1	Direct	ESG	M2	3 5 8 10 13 15
JPMorgan Chase & Co.	United States	North America	Financials	Yes	2	Direct	ESG		7 8 13
Kellanova	United States	North America	Consumer Staples	Yes	1	Direct	E	M2	14 15
Kering SA	France	EMEA	Consumer Discretionary	No	1	Direct	S	M3	8
Kerry Group Plc	Ireland	EMEA	Consumer Staples	No	1	Collaborative	E		2 6 14
Kimberly-Clark Corporation	United States	North America	Consumer Staples	Yes	2	Direct	EG	M3	6 12 13 14 15
Kirin Holdings Co. Ltd.	Japan	APAC	Consumer Staples	No	1	Direct	ESG	M2	2 5 6 8 10 14
Kohl's Corporation	United States	North America	Consumer Discretionary	Yes	1	Direct	GR		
Korea Electric Power Corporation	South Korea	APAC	Utilities	No	2	Both	ER	M2	7 9 12 13
Kraft Heinz Company	United States	North America	Consumer Staples	Yes	1	Direct	E		12
Kroger Co.	United States	North America	Consumer Staples	Yes	1	Direct	S		8
L'Oreal S.A.	France	EMEA	Consumer Staples	Yes	1	Direct	ESG	M2	3 7 8 9 12 13
Lenovo Group Limited	Hong Kong	APAC	Information Technology	Yes	1	Direct	ESGR	M3	5 7 8 9 10 12 13
LG Chem Ltd.	South Korea	APAC	Materials	No	1	Direct	ESG	M2	2 3 6 7 8 9 12 13 14
Li Auto, Inc.	Hong Kong	APAC	Consumer Discretionary	No	1	Direct	ESGR	M2	5 8 10 13
Link Real Estate Investment Trust	Hong Kong	APAC	Real Estate	No	1	Direct	ESG	M2	2 5 6 7 8 9 12 13 14
Lloyds Banking Group plc	United Kingdom	EMEA	Financials	Yes	1	Direct	G		
Lockheed Martin Corporation	United States	North America	Industrials	Yes	1	Direct	R		
LVMH Moët Hennessy Louis Vuitton SE	France	EMEA	Consumer Discretionary	Yes	1	Direct	ESG	M2	7 8 9 12 13
Macquarie Group, Ltd.	Australia	APAC	Financials	Yes	1	Direct	G	M2	
Marubeni Corporation	Japan	APAC	Industrials	No	1	Direct	ESG	M2	7 8 9 10 12 13 15
Mastercard Incorporated	United States	North America	Financials	Yes	1	Direct	ESR		5 10 13
MediaTek Inc	Taiwan	APAC	Information Technology	No	1	Direct	ESG	M2	3 5 7 8 9 10 12 13
Medtronic Plc	United States	North America	Health Care	Yes	1	Direct	ESG		3 7 9 12 13
Meta Platforms Inc	United States	North America	Communication Services	Yes	1	Direct	SGR		8 10 11
MetLife, Inc.	United States	North America	Financials	Yes	1	Direct	S		5 10
Microsoft Corporation	United States	North America	Information Technology	Yes	1	Direct	GR		
Mitsubishi Corporation	Japan	APAC	Industrials	No	1	Direct	ESG	M4	3 5 8 10 13 15
Mitsubishi Estate Company, Limited	Japan	APAC	Real Estate	No	1	Direct	ESG	M2	2 3 5 6 8 10 14



APPENDIX 2: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

M – P

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
Mitsui & Co.,Ltd	Japan	APAC	Industrials	No	1	Direct	ESG	M3	7 8 9 12 13
Mitsui Fudosan Co., Ltd.	Japan	APAC	Real Estate	No	1	Direct	ESG	M2	2 5 6 8 10 14
Morgan Stanley	United States	North America	Financials	Yes	1	Direct	EGR		13
Naspers Limited	South Africa	EMEA	Consumer Discretionary	No	1	Direct	SGR	M2	5 10
National Australia Bank Limited	Australia	APAC	Financials	Yes	2	Direct	ESGR	M4	7 8 9 10 12 13
National Grid plc	United Kingdom	EMEA	Utilities	Yes	1	Collaborative	E	M3	7 9 12 13
Nestle S.A.	Switzerland	EMEA	Consumer Staples	Yes	1	Direct	SG	M2	3 12
Netease Inc	Hong Kong	APAC	Communication Services	No	1	Direct	ESG	M2	5 7 8 9 10 12 13
NextEra Energy, Inc.	United States	North America	Utilities	Yes	1	Direct	GR		
Nintendo Co., Ltd.	Japan	APAC	Communication Services	No	1	Direct	ESG	M2	5 7 8 9 10 12 13
NIO Inc.	Hong Kong	APAC	Consumer Discretionary	No	1	Direct	ESG	M2	5 8 10 13
NIPPON STEEL CORP.	Japan	APAC	Materials	No	1	Direct	ESG	M4	3 5 7 8 9 10 12 13
Nippon Telegraph and Telephone Corporation	Japan	APAC	Communication Services	Yes	1	Direct	ESG	M2	5 7 9 10 12 13
Nissan Motor Co., Ltd.	Japan	APAC	Consumer Discretionary	Yes	1	Direct	ESR	M2	7 8 9 10 12 13
Nordstrom, Inc.	United States	North America	Consumer Discretionary	Yes	1	Direct	E	M2	6 14 15
Norfolk Southern Corporation	United States	North America	Industrials	Yes	1	Direct	G		
Novartis AG	Switzerland	EMEA	Health Care	Yes	1	Direct	ESG	M2	2 3 6 7 9 12 13 14
Novo Nordisk A/S	Denmark	EMEA	Health Care	Yes	1	Direct	ESG	M2	2 3 6 12 14
Occidental Petroleum Corporation	United States	North America	Energy	Yes	1	Direct	EG		7 9 12 13
Olympus Corp.	Japan	APAC	Health Care	No	1	Direct	SG	M2	3 5 8 10 12
ONO Pharmaceutical Co., Ltd.	Japan	APAC	Health Care	No	1	Direct	ESG	M2	5 6 8 10 14
Oriental Land Co., Ltd.	Japan	APAC	Consumer Discretionary	No	1	Direct	ESGR	M2	5 8 10 13 15
Origin Energy Limited	Australia	APAC	Utilities	No	1	Direct	EG	M2	7 9 12 13
Panasonic Holdings Corporation	Japan	APAC	Consumer Discretionary	No	1	Direct	ESG	M2	5 8 10 12
PayPal Holdings, Inc.	United States	North America	Financials	Yes	1	Direct	ESGR		3 12 13
Pernod Ricard SA	France	EMEA	Consumer Staples	Yes	2	Direct	ESG	M2	2 6 8 14
Persistent Systems Limited	India	APAC	Information Technology	No	1	Direct	G	M2	
PetroChina Company Limited	Hong Kong	APAC	Energy	No	1	Direct	ESG	M2	3 5 7 8 9 10 12 13
Petroleo Brasileiro SA Pfd	Brazil	Latin America	Energy	Yes	2	Both	ESG	M2	3 5 7 8 9 10 12 13
POSCO Holdings Inc.	South Korea	APAC	Materials	Yes	3	Direct	ESGR	M2	5 7 8 9 10 12 13
Power Assets Holdings Limited	Hong Kong	APAC	Utilities	No	1	Direct	EG	M2	5 7 9 10 12 13
PPL Corporation	United States	North America	Utilities	Yes	1	Direct	R		



APPENDIX 2: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

P – S

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
Prosus N.V.	Netherlands	EMEA	Consumer Discretionary	Yes	1	Direct	G	M2	
Prudential Financial, Inc.	United States	North America	Financials	Yes	1	Direct	GR		
PTT Public Co., Ltd.	Thailand	APAC	Energy	No	1	Direct	ESG	M2	5 7 8 9 10 11 12 13
Qantas Airways Limited	Australia	APAC	Industrials	No	1	Direct	SG	M2	8 10 12
QUALCOMM Incorporated	United States	North America	Information Technology	Yes	1	Direct	G		
Reckitt Benckiser Group plc	United Kingdom	EMEA	Consumer Staples	Yes	1	Direct	ESR	M2	2 3 6 12 14
Repsol SA	Spain	EMEA	Energy	Yes	1	Direct	E		7 9 12 13
Rio Tinto Limited	Australia	APAC	Materials	Yes	1	Direct	ES	M2	7 8 9 10 11 12 13 14 15
Roche Holding Ltd	Switzerland	EMEA	Health Care	Yes	1	Direct	ESG	M2	3 7 9 12 13
Salesforce, Inc.	United States	North America	Information Technology	Yes	1	Direct	SG		8 10 11
SAMSUNG C&T CORP	South Korea	APAC	Industrials	No	1	Direct	ESG	M2	5 7 9 10 12 13
Samsung Electronics Co., Ltd.	South Korea	APAC	Information Technology	No	2	Both	ESG	M2	7 8 9 10 12 13
Santos Limited	Australia	APAC	Energy	Yes	1	Direct	ES	M2	7 8 9 10 11 12 13
SAP SE	Germany	EMEA	Information Technology	Yes	1	Direct	ESG	M2	2 3 6 7 9 12 13 14
Sasol Limited	South Africa	EMEA	Materials	No	1	Direct	ES	M2	3 7 8 9 12 13 14 15
Saudi Arabian Oil Co.	Saudi Arabia	EMEA	Energy	No	1	Direct	ESG	M2	3 5 7 8 9 10 12 13
Saudi Basic Industries Corp.	Saudi Arabia	EMEA	Materials	No	1	Direct	ESG	M2	3 5 7 9 10 12 13
Scentre Group	Australia	APAC	Real Estate	Yes	1	Direct	ESGR	M2	3 5 7 8 9 10 12 13
Schneider Electric SE	France	EMEA	Industrials	Yes	1	Direct	G		
Sekisui House, Ltd.	Japan	APAC	Consumer Discretionary	No	1	Direct	ESG	M2	5 7 9 10 12 13
Seven & I Holdings Co., Ltd.	Japan	APAC	Consumer Staples	No	1	Direct	ESG	M2	5 6 7 8 9 10 12 13 14 15
Shell Plc	United Kingdom	EMEA	Energy	No	2	Direct	E	M2	7 9 12 13
Shin-Etsu Chemical Co Ltd	Japan	APAC	Materials	No	1	Direct	ESG	M2	3 5 7 8 9 10 12 13
Shinhan Financial Group Co., Ltd.	South Korea	APAC	Financials	No	1	Direct	G	M4	
Sibanye Stillwater Limited	South Africa	EMEA	Materials	Yes	1	Direct	ESG	M2	3 5 7 8 9 10 12 13
SK hynix Inc.	South Korea	APAC	Information Technology	Yes	1	Direct	ESG	M2	7 8 9 10 12 13
SolarEdge Technologies, Inc.	United States	North America	Information Technology	No	1	Direct	SG	M4	3 8 10
South32 Ltd.	Australia	APAC	Materials	No	3	Both	EG	M2	7 9 12 13
Southern Company	United States	North America	Utilities	Yes	1	Direct	GR		
Starbucks Corporation	United States	North America	Consumer Discretionary	Yes	2	Direct	SG	M4	8
Stellantis N.V.	Italy	EMEA	Consumer Discretionary	Yes	1	Direct	G		

APPENDIX 2: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

S – W

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
Sumitomo Corporation	Japan	APAC	Industrials	No	1	Direct	ESG	M2	5 7 8 9 10 12 13 15
Sumitomo Mitsui Financial Group, Inc.	Japan	APAC	Financials	Yes	1	Direct	EGR	M3	7 9 12 13
Sunny Optical Technology (Group) Co., Ltd.	Hong Kong	APAC	Information Technology	No	1	Direct	SGR	M2	5 8 10
T. Rowe Price Group	United States	North America	Financials	No	1	Direct	EGR		13
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	APAC	Information Technology	Yes	1	Direct	ESG	M2	5 7 8 9 10 12 13
Takeda Pharmaceutical Co. Ltd.	Japan	APAC	Health Care	Yes	1	Direct	SG	M2	3 5 8 10 12
Target Corporation	United States	North America	Consumer Staples	Yes	1	Direct	G		
Tata Consultancy Services Limited	India	APAC	Information Technology	No	1	Direct	SG	M2	8 10
Telefonaktiebolaget LM Ericsson	Sweden	EMEA	Information Technology	Yes	1	Direct	G	M2	
Tencent Holdings Ltd.	Hong Kong	APAC	Communication Services	Yes	1	Direct	SGR	M4	5 8 10
Tesla, Inc.	United States	North America	Consumer Discretionary	No	2	Direct	G	M2	
Tokyo Electron Ltd.	Japan	APAC	Information Technology	No	1	Direct	SG	M2	3 5 8 10
Topsports International Holdings Limited	Hong Kong	APAC	Consumer Discretionary	No	1	Direct	G	M2	
TotalEnergies SE	France	EMEA	Energy	Yes	1	Direct	EGR	M1	7 9 12 13
Toyota Industries Corp.	Japan	APAC	Industrials	No	1	Direct	ESG	M2	3 5 7 8 9 10 12 13
TransDigm Group Incorporated	United States	North America	Industrials	Yes	1	Direct	G		
Travelers Companies, Inc.	United States	North America	Financials	Yes	1	Direct	ESGR	M2	3 12 13
U.S. Bancorp	United States	North America	Financials	Yes	1	Direct	G		
Uber Technologies, Inc.	United States	North America	Industrials	Yes	1	Direct	ESGR		3 7 9 12 13
UBS Group AG	Switzerland	EMEA	Financials	Yes	1	Direct	ESR	M2	7 8 9 12 13
Unilever PLC	United Kingdom	EMEA	Consumer Staples	Yes	1	Direct	E		6 7 9 12 13 14 15
UPM-Kymmene Oyj	Finland	EMEA	Materials	Yes	1	Direct	G	M2	
V.F. Corporation	United States	North America	Consumer Discretionary	Yes	1	Direct	G		
Vale S.A.	Brazil	Latin America	Materials	Yes	1	Direct	ESG	M2	3 5 7 8 9 10 11 12 13
Vedanta Limited	India	APAC	Materials	Yes	1	Direct	ESGR	M3	3 7 8 9 12 13
VINCI SA	France	EMEA	Industrials	Yes	1	Direct	ESG	M2	3 7 8 9 12 13
Volkswagen AG	Germany	EMEA	Consumer Discretionary	Yes	1	Direct	G	M2	
Walmart Inc.	United States	North America	Consumer Staples	Yes	3	Both	ESG	M2	3 5 7 8 9 10 12 13
Walt Disney Company	United States	North America	Communication Services	Yes	2	Direct	GR	M3	
Wells Fargo & Company	United States	North America	Financials	Yes	1	Direct	G		
WH Group Ltd. (HK)	Hong Kong	APAC	Consumer Staples	No	1	Direct	EG	M2	2 5 6 10 13 14 15

APPENDIX 2: NORTHERN TRUST ASSET MANAGEMENT ENGAGEMENTS BY COMPANY

W – Y

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
Wharf (Holdings) Ltd.	Hong Kong	APAC	Real Estate	No	1	Direct	G	M2	
Wharf Real Estate Investment Company Limited	Hong Kong	APAC	Real Estate	No	1	Direct	G	M2	5 10
Whitestone REIT	United States	North America	Real Estate	No	1	Direct	G		
Wilmar International Limited	Singapore	APAC	Consumer Staples	No	1	Direct	ESG	M2	3 8 13 15
Wolters Kluwer N.V.	Netherlands	EMEA	Industrials	Yes	1	Direct	G		
Woodside Energy Group Ltd	Australia	APAC	Energy	No	1	Direct	E	M2	7 9 12 13
Woolworths Group Ltd	Australia	APAC	Consumer Staples	No	1	Direct	ESG	M2	7 8 9 10 12 13
Xcel Energy Inc.	United States	North America	Utilities	Yes	1	Direct	R		
Yara International ASA	Norway	EMEA	Materials	No	1	Direct	EG	M2	7 9 12 13
Yum China Holdings, Inc.	United States	North America	Consumer Discretionary	No	1	Direct	EG	M2	2 7 9 12 13 15

APPENDIX 3

Participation in Organizations

Organization	How We Participate
Ceres Investor Network on Climate Risk and Sustainability	Member
Climate Action 100+	Signatory*
DCIA ESG Sub Committee	Member
Farm Animal Investment Risk & Return Initiative (FAIRR)	Signatory
Financial Reporting Council - UK Stewardship Code 2020	Signatory
Global Real Estate Sustainability Benchmark (GRESB)	Member
Hong Kong Stewardship Code	Aligned
Human Capital Management Coalition	Member
IFRS Sustainability Alliance (member of the Investors Advisor Group and Standards Advisory Group) - and Taskforce for Climate Related Financial Disclosures (Supporter)	Member
Institutional Investor Group on Climate Change (IIGCC)	Member
Institutional Investor Group on Climate Change (IIGCC) Net Zero Engagement Initiative	Member
Investment Company Institute ESG subcommittees	Member
Investment Association Responsible Investing Committee	Member
Net Zero Asset Manager Initiative	Signatory*
New Zealand Stewardship Code	Signatory
PRI Advance	Member
Principles for Responsible Investing (PRI)	Disclosure
Responsible Investment Association Australasia	Member
Valuing Water Financing Initiative	Member

*In January 2025, NTAM made the decision to withdraw from Climate Action 100+ and NZAMI. This decision reflects our confidence that we can independently and effectively manage material risks and engage with portfolio companies to safeguard and grow our clients' capital.

We have made and continue to make investments that support our independent stewardship and sustainable investing capabilities.

APPENDIX 4

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.	3, 5-13, 15-20, 33-35, 46-47, 53, 96
Principle 2 Establish and maintain policies	Signatories will develop and implement measurable and effective stewardship policies.	28-29, 35, 37, 44-46
Principle 3 Incorporate material ESG matters	Signatories will incorporate material ESG matters into their investment decisions and stewardship practices.	7, 18-20, 33,41, 44-49, 72, 78, 81, 87, 95
Principle 4 Be engaged	Signatories will engage regularly and effectively with underlying asset managers, issuers, and other key stakeholders.	4-5, 13, 15-19, 44, 46, 48, 50-53, 57-91, 104-112
Principle 5 Vote responsibly	Signatories will exercise voting rights in accordance with their investment mandate, and regularly and transparently disclose voting actions and outcomes.	4,13, 17-20, 28-30, 37,90-100, 102-103
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.	15, 21-30, 55, 97
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.	35, 47, 61, 63, 76-84, 113
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.	3, 13, 17, 34, 39, 41, 44, 46-47, 87,91, 93, 104-12
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.	11, 16, 18, 24, 53, 81, 98

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.

Pensions & Investments — Pension & Investments – Unless otherwise noted, rankings were published in *Pensions & Investments* magazine's "2024 Special Report on the Largest Money Managers," and are based on 12/31/2023 AUM. Rankings are calculated based on 411 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," 7/11/2024 based on P&I data as of 3/31/2024.

ABOUT CASE STUDIES

The case studies presented are intended to illustrate stewardship efforts undertaken by NTAM. Stewardship includes engaging with portfolio companies, policy makers, service providers and other stakeholders - some times collaboratively - in an effort to encourage positive change and maximize overall long-term value. They do not necessarily represent the views of all 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.

IMPORTANT INFORMATION

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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, 2024 unless otherwise stated.

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