



NORTHERN TRUST
ASSET MANAGEMENT

Stewardship Report 2021



Table of Contents

01

Foreword



02

A Year of Stewardship



03

Our Commitment to Sustainability



04

About Us



05

Stewardship Governance and Resources



06

Integrating Stewardship, Investing and ESG



07

Our Approach to Engagement



08

Purposeful Proxy Voting



09

Aligning with Clients



10

Identifying and Navigating Systemic Market Risks



11

Monitoring Service Providers



12

Review of and Adherence to Policies



13

Addressing Conflicts of Interest



14

Appendices



Stewardship, with Purpose

Northern Trust Asset Management is a global investment manager entrusted with more than \$1.3 trillion of investor assets.¹ We help investors navigate changing market environments by combining robust capital markets research, expert portfolio construction, and comprehensive risk management to deliver efficient solutions that enable investors to achieve their most important goals. We recognize the level of influence we have as investment stewards, and remain committed to continuing our work in this dynamic and evolving environment.

We focus on the long-term with a dual purpose of protecting and enhancing the assets entrusted to us by our clients. As a global citizen, we have a clear responsibility to contribute to a healthy long-term environment, equitable social structures and well-governed companies. The events of the last two years have accentuated how interconnected these issues are. Themes such as climate transition risks and a shift towards a more stakeholder-centric form of capitalism continue to underpin our capital market assumptions.

Explicit within these themes is the incorporation of environmental, social and governance (ESG) factors which we believe are financially material and strategically relevant. As such, they impact long-term risk-adjusted investment returns. Consistent with our view that investors should be compensated for the risks they take, we believe evaluating ESG criteria enhances our forward-looking view of risks and opportunities. As a leading investment manager with deep experience in ESG integration, we not only actively engage with the companies we are invested in, but also with policy makers, regulators, vendors and index providers to lift ESG standards across the market as a whole.

Ultimately, we believe positive economic and societal change, and financial performance, is best achieved when ESG analysis is combined with active stewardship. Last year we combined our ESG research integration, stewardship and client engagement specialists into a newly integrated team under new leadership. This deliberate action has further enhanced our commitment to effective stewardship and better enabled our ability to serve our aforementioned stakeholders.

¹ Assets under management as of December 31, 2021. For the Northern Trust Asset Management entities included in AUM total, please see disclosure at end of this document.



Julie Moret
Global Head of
Sustainable Investing
and Stewardship



A Year of Stewardship

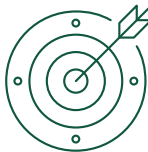
145,140

Management and shareholder resolutions voted on



23,818

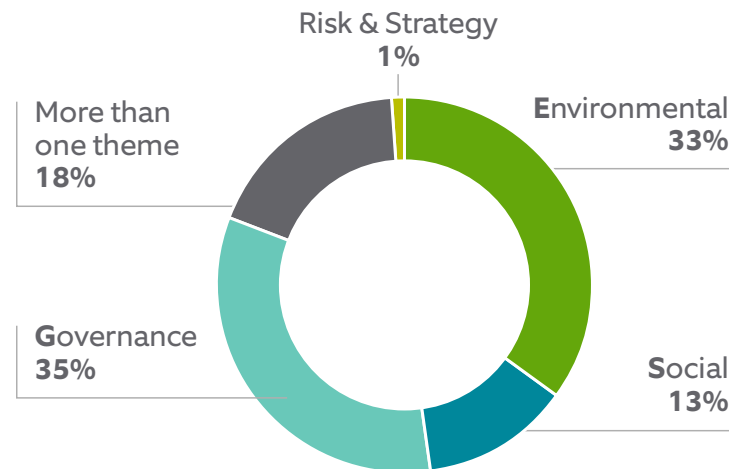
Resolutions voted against management



3,827

Total engagements*

Themes of Direct Engagement



Based on 170 direct engagements by NTAM.

15,663

Shareholder meetings where we voted



58%

Of meetings where we voted against management at least once



Highest scoring U.S. manager
on environmental and social shareholder resolutions

The ranking is based on ShareAction's *Voting Matters 2021 report* released in December 2021, from 2020 and 2021 social and environmental resolutions selected by ShareAction.

Supported 68%

of climate shareholder resolutions based on ShareAction's *Voting Matters 2021 report*

* Total engagements include 170 direct engagements and 3,657 through outside engagement partner Equity Ownership Services (EOS) at Federated Hermes.

Our Commitment to Sustainability



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

Organizational Commitment

- **Reduced carbon emissions by 62%** as of 2020 from 2015 baseline (Northern Trust Corporation)
- **5th consecutive year** in the Bloomberg Gender-Equity Index (2022, Northern Trust Corporation)
- **58%** of Northern Trust Asset Management's Executive Committee and **58%** of Northern Trust's Board of Directors are **gender-, racially and ethnically diverse**.
- **Diversity champion** (Northern Trust Asset Management) from *Investment News*, in April 2022²

Industry Leadership

- **Founding signatory** of Climate Action 100+
- **A+ rated** for Strategy and Governance (2020) by Principles for Responsible Investment (PRI) awarded in July 2020; member since 2009
- **TCFD Supporter** (Task Force on Climate-Related Financial Disclosures)
- **SASB Investor Advisory Group Member** (Sustainability Accounting Standards Board)

Sources: Northern Trust, Bloomberg, Climate Action 100+, SASB, TCFD, Principles for Responsible Investment. All data as of December 31, 2020, unless otherwise stated.

² Excellence in Diversity & Inclusion Awards, *InvestmentNews*.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

06 Integrating Stewardship,
Investing and ESG

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

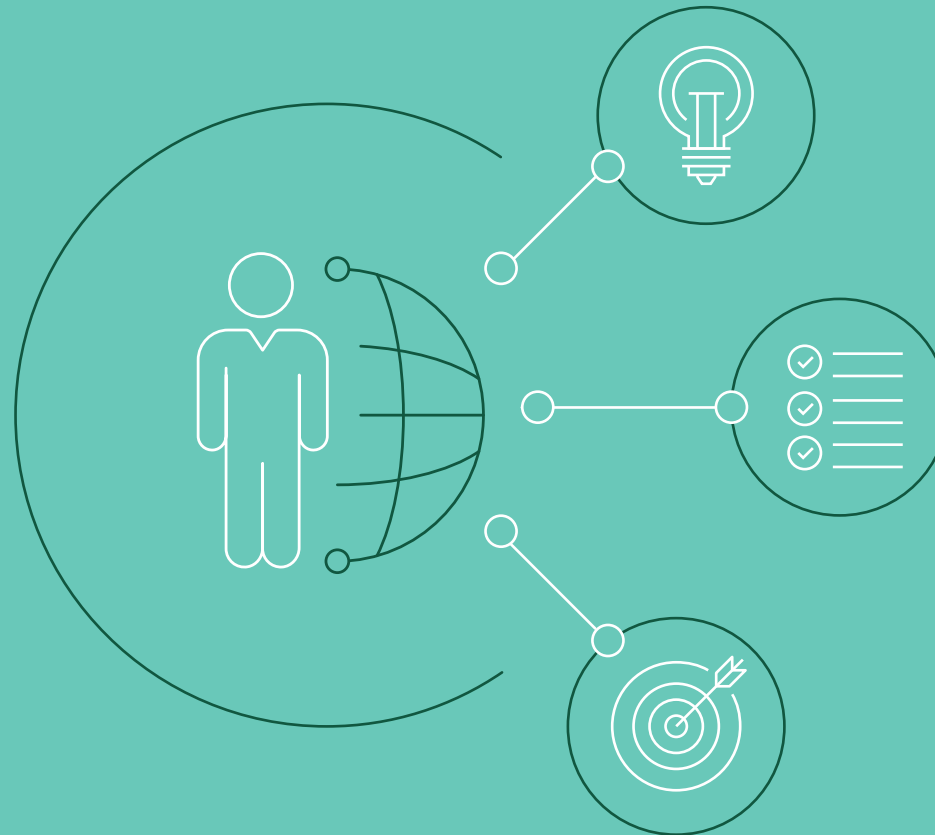
11 Monitoring Service
Providers

12 Review of and Adherence
to Policies

13 Addressing
Conflicts of Interest

14 Appendices

04 About Us



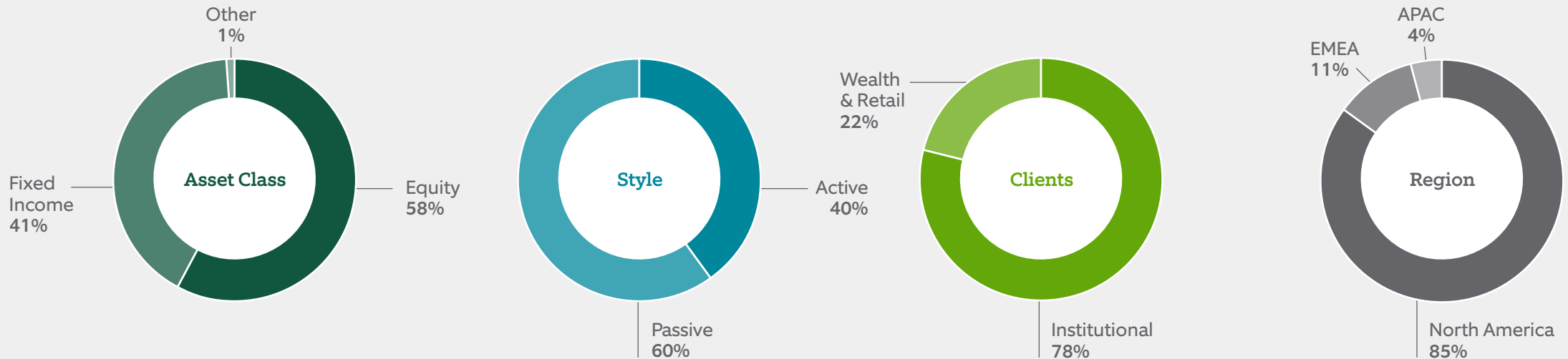
Business and Strategy

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

We have grown to become among the world's largest asset managers, with \$1.3 trillion in assets under management³ and about 900 employees in 12 countries. We are the asset management business of the Northern Trust Corporation, a leading provider of wealth management, asset servicing, investment management and banking, with \$16.2 trillion in assets under custody/administration.

We purposefully combine robust capital markets research, expert portfolio construction and comprehensive risk management to craft efficient solutions that deliver targeted investment outcomes. Our fiduciary heritage guides our principle-based culture and collaborative approach, resulting in a distinctive client experience. Our business strategy is to deliver investment solutions

NTAM Assets Under Management



Source: Northern Trust Asset Management. Data as of December 31, 2021.

³ Assets under management as of December 31, 2021. For the Northern Trust Asset Management entities included in AUM total, please see disclosure at end of this document.

that solve the most complex needs of institutional and individual investors, with a focus on solutions that we believe align with our competitive advantage, provide the most value to investors and show potential for growth. Some of these solutions include sustainable investing, quantitative, multi-asset, cash and alternative strategies.

At NTAM, we help investors future-proof their portfolios by bringing clarity to investment opportunities and risks resulting from financially relevant environmental, social and governance (ESG) factors. That's why

last year, we enhanced our ability to measure and assess the ESG profiles of companies with the introduction of the [Northern Trust ESG Vector Score™](#) (ESG Vector Score). The score brings greater clarity to ESG risk assessment — and how ESG issues may impact companies' financial futures — to improve our investment and stewardship decisions. We also merged the sustainable investment and stewardship teams to more purposefully manage ESG risks, engagement and proxy voting in line with our clients' values.

Northern Trust Asset Management

\$1.3 trillion
in total AUM³

³ Assets under management as of December 31, 2021. For the Northern Trust Asset Management entities included in AUM total, please see disclosure at end of this document.

Purpose

We enable global investors to achieve their most important goals by providing insights, solutions and an exceptional client experience.

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

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

A Global Leader

WORLDWIDE ASSETS

17th Largest

WORLDWIDE
INSTITUTIONAL ASSETS

12th Largest

ENDOWMENTS/
FOUNDATIONS ASSETS

5th Largest

FACTOR-BASED STRATEGIES

7th Largest

SOVEREIGN WEALTH FUNDS

6th Largest

INDEXED (U.S.)
EQUITY⁴

4th Largest

INDEXED (U.S.)
FIXED INCOME⁴

5th Largest

⁴ U.S. Institutional, tax exempt, managed internally.

Unless otherwise noted, rankings are based on total worldwide assets under management of \$1.1 trillion as of December 31, 2020, by *Pensions & Investments* magazine's 2021 Special Report on the Largest Money Managers released in May 2021. Factor-based rankings are based on total worldwide assets under management of \$1.0 trillion as of December 31, 2019 by *Pensions & Investments* magazine's 2020 Special Report on the Largest Money Managers released in May 2020.

Investment Beliefs

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

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

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

We believe material ESG factors are pre-financial indicators that can affect a company's future financial viability and clients' long-term risk-adjusted investment returns. And we think that focusing on only taking compensated risk minimizes unintended consequences, provides consistent and persistent returns over the long term, and enables investors to achieve their objectives. When managed well, ESG factors can position a company for success and when mismanaged, they can result in significant risks.

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

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

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

Culture

Our collaborative culture values intellectual curiosity and diversity of thought. This inspires a drive to continually develop innovative ideas, creative insights and expertise across investment practices and processes that lead to better investor outcomes.

Our key values underlie this culture:

Passion

Our passion for the investment business gives us a clear sense of purpose. This conviction translates into a relentless pursuit of excellence and a distinctive commitment to service.

Competence

A focus on competence produces deep investment acumen, subject matter expertise and indispensable functional proficiency.

Intellectual curiosity

This curiosity fosters a collaborative culture where creativity and innovation thrive.

Humility

Our willingness to be humble fosters strong interpersonal relationships and places the shared mission above self-interest.

Diversity

We are committed to recruit, develop and deploy diverse talent globally, in order to capitalize on the strength that lies in our differences.

Diversity, Equity and Inclusion at NTAM

We believe that businesses committed to robust diversity, equity and inclusion (DE&I) create greater value for clients and the communities we serve.

This commitment starts at the top, where NTAM's executive group has achieved 58% ethnic, racial and gender diversity. In 2021, we increased our target from 10% to 15% — and exceeded the new target — for commissions on equity trades executed through minority brokers in certain commingled funds.

We have integrated DE&I into our culture through recruitment, developing our current employees and encouraging diversity from our suppliers. When we interview to hire new employees, we mandate a diverse slate of candidates and a diverse interview panel, which is tracked and monitored through our internal DE&I dashboard. Our NTAM Diverse Leaders Program develops a pipeline across leadership roles of female employees spanning different ethnic backgrounds. Since launch of the program in 2014, two-thirds of participants have achieved expanded roles or promotions within two years of joining the program.

With continual improvement in mind, we hold senior leaders accountable for DE&I progress through these tools, techniques and resources:

DE&I dashboard

We track and assess outcomes quarterly using hiring, retention and promotion metrics.

Clearly communicated performance expectations

These include identifying DE&I gaps, taking steps to meet goals and setting standards for inclusive leadership.

Executive leadership training series

We provide executives with training and resources, including facilitated discussions and mentoring, to foster DE&I knowledge.

Further, we offer our employees opportunities to engage on DE&I topics through a range of resource councils and forums. In 2021, these included:

AAPI Listening Circle

Asian, American and Pacific Islander employees were empowered to candidly share their experiences regarding discrimination.

Juneteenth Panel Discussion

Northern Trust CEO Michael O'Grady initiated candid conversations with black senior leaders.

Make Your Flight Plan

Our Latin Business Resource Council's virtual learning series helped empower employees to execute their career plans.

Women in Leadership PodPerspectives

A podcast series was designed to help female employees manage and advance their careers.

Stewardship Aligned with Clients' Interests

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

We not only have an opportunity but a clear responsibility to act in the best interests of our clients by contributing to a healthy long-term environment, equitable social structures and well-governed companies.

Serving as an active owner helps to fulfill this responsibility, while producing value for clients over the long-term. Our integrated sustainable investment and stewardship team empowers clients to align their investments with their values and to use our voice, backed by more than \$1 trillion in investments, to drive meaningful change in companies' management of ESG issues.

We also empower investors to align their investment portfolios with their values and achieve their financial goals through 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 meet investors' specific sustainable needs or requirements.

\$1 trillion+
investments to drive
meaningful change

Improved Ability to Manage ESG Risk

In 2021, we acted effectively on behalf of our clients' interests through sustained engagement with companies and independent proxy voting.

We and our engagement partner, EOS at Federated Hermes (EOS), held more than 3,800 dialogues with companies over a range of stewardship priorities, including climate change; diversity, equity and inclusion; sustainable food and agriculture; and executive compensation. We made progress toward our objectives on the vast majority of those engagements.

With our proxy voting decisions, we also aim to influence the behavior and policies of our investees toward more sustainable business practices. Last year, we voted on more than 145,000 resolutions, aligning our votes with client interests and not necessarily with company management. For example, in 2021 we cast at least one vote against management recommendations at 58% of

Proxy Voting in 2021:

3,800+

dialogues with companies over a range of stewardship priorities



145,000+

resolutions voted



58%

of meetings, cast at least one vote against management recommendations



meetings we participated in. Responsible investing advocate ShareAction in its December 2021 *Voting Matters 2021* report ranked us as the highest scoring U.S. investment manager for proxy voting on environmental and social issues. Based on 2020 and 2021 resolutions chosen by ShareAction for its ranking, we voted in favor of 68% of climate resolutions and 57% of social resolutions in 2021.⁵

We improved our ability in 2021 to serve as effective stewards through several actions. We combined our sustainable investing and stewardship teams, adding resources to bolster stewardship effectiveness with more focus on sustainability and improving our sustainable investing results through engagement with companies. We hired into a newly created position, a global head of sustainable investing and stewardship, to lead the team. We also introduced the ESG Vector Score, creating ESG profiles of companies to better inform our stewardship efforts and advance our assessment of risk to improve our investment decisions.

Looking toward the future: The Northern Trust ESG Vector Score™

The Northern Trust ESG Vector Score™ is a measurement that assesses publicly traded companies in the context of financially relevant ESG-related criteria that could impact their operating performance. This industry-first approach marries two leading sustainability reporting frameworks — the Sustainability Accounting Standards Board’s (SASB) Standards, which are industry-specific sustainability disclosure standards focused on financial materiality, and the thematic structure of the Task Force on Climate-related Financial Disclosures’ (TCFD) recommendations.

⁵ ShareAction 2021 report *Voting Matters* — Northern Trust Asset Management ranked 34th overall globally and 1st among U.S. asset managers.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

**05 Stewardship Governance
and Resources**

06 Integrating Stewardship,
Investing and ESG

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

11 Monitoring Service
Providers

12 Review of and Adherence
to Policies

13 Addressing
Conflicts of Interest

14 Appendices

05 Stewardship Governance and Resources

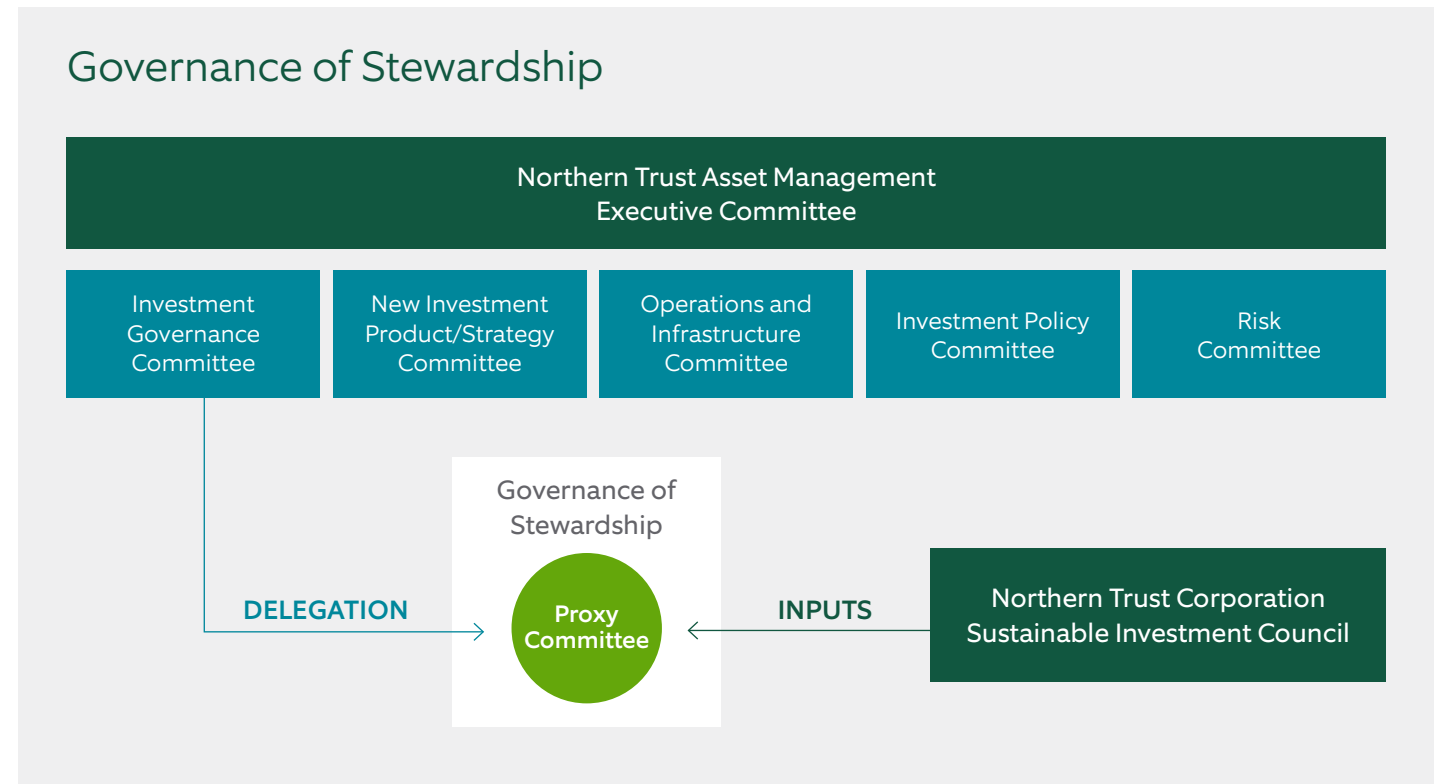


Governance to Strengthen Accountability

The governance across our business strengthens accountability to clients, shareholders and other stakeholders, while empowering stewardship led by the principles of sustainability.

Our Investment Governance Committee, which reports to the Executive Committee and sets investment policies, 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 vendors we use to augment our stewardship program and investigates conflicts of interest that may arise from our stewardship activities.

Composed of senior representatives representing the firm's diverse business functions — and, in turn, the breadth of our clients' needs — the committee members include equity and bond research analysts, portfolio managers, and ESG and sustainable investing specialists. Additionally, risk professionals from EMEA and the U.S. sit on



Source: Northern Trust Asset Management.

the committee, providing critical insight 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).

To ensure that we align our stewardship program with our sustainable investing principles, the NTAM Proxy Committee solicits guidance from our Sustainable Investment Council (SIC). The SIC, which reports directly to the Executive Committee, sets sustainable investing standards and drives strategic growth in 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 and stewardship, serves as a central “hub” of knowledge on ESG initiatives across all of Northern Trust, and drives alignment and coordination of ESG and sustainable investment activities. It leverages a broad range of expertise across regions and business groups, with a makeup similar to the Proxy Committee, including experts in investment research, portfolio management, corporate responsibility, risk, compliance and sales. In coordination with the Proxy Committee, the SIC oversees the relationship with our external engagement vendor EOS, and our relationships with any signatories and coalitions.

The Sustainable Investment Council, chaired by the global head of sustainable investing and stewardship, serves as a central “hub” of knowledge on ESG initiatives across all of Northern Trust, and drives alignment and coordination of ESG and sustainable investment activities.

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

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

To this end, in May 2021 we merged the sustainable investment and stewardship teams with the hiring of Julie Moret in the newly created role of global head of sustainable investing and stewardship. Julie oversees our sustainable investing and stewardship policies, fosters research and product development, advances portfolio integration of ESG across asset classes and contributes our sustainable investing and stewardship perspectives to external industry associations. Additionally, she advises NTAM's president and executive group on sustainable investing and stewardship best practices.

Our team of 15 specialists serves as a center of excellence for the business, promoting best practices in ESG integration and stewardship. Further, we leverage a wide network of 32 other employees with expertise in client servicing, distribution, portfolio management, research and strategy, among other skills, who dedicate on average 30% or more of their time to sustainable investing. The team provides analysis and insights on emerging ESG themes and monitors critical issues, industry trends and regulatory developments. It translates how these impact our clients, the firm and our investments. The team also helps design ESG strategies.

We structured the new team into three specializations: ESG research and integration, stewardship and client engagement. Demonstrating the benefits of combining the stewardship and sustainable investment teams, the specialists collaborate to embed ESG practices into our investment process and stewardship efforts, and support dialogue with clients about sustainable investing. We describe these specializations in more detail on the next page.

Our team of 15 specialists serves as a center of excellence for the business, promoting best practices in ESG integration and stewardship.

Areas of specialization

ESG research and integration specialists

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

Stewardship specialists

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

Client engagement

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



Our Diverse Sustainable Investing and Stewardship Team

We are committed to diversity, equity and inclusion in our business because we believe perspectives based on a variety of backgrounds lead to better outcomes for our clients, shareholders and communities. Our sustainable investing and stewardship team, which is 58% female, is spread across regions, with 47% in the U.S., 27% in Europe and 27% in India. They have an average of 15 years of professional experience, and 71% of our team members hold a master's degree in disciplines including business administration, commerce, conflict resolution, public policy and international economics.

Advancing Our Expertise

Our people are intellectually curious, life-long learners — and their experience, skill and drive to continually improve not only advances our expertise as a team, it enables us to better serve our clients.

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

We support them by:

Encouraging professional development

We allocate to each manager a budget to support employee development through professional certifications. As of the end of 2021, 33% of the sustainable investing and stewardship partners have earned the Chartered Financial Analyst (CFA) designation. Additionally, one partner is a Certified Public Accountant, one is a GRI-certified sustainability professional, two have earned CFA certificates in ESG investing and two more are studying for these certificates.

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. In 2021, these events were sponsored by, among others, the Chartered Insurance Institute, Institutional Investors Group on Climate Change, CFA Society, Responsible Investment Association (Canada), the Harvard Forum on Corporate Governance, the One Planet Asset Management Initiative, Investment Shareholder Services, the Investment Company Institute and SASB.

Supporting their educational goals

Our educational assistance program covers expenses related to rigorous external credential programs leading to associates', bachelors' and masters' degrees. In 2021, one member of the team was enrolled in a part-time MBA program.

Augmenting Our Efforts

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

EQUITY OWNERSHIP SERVICES AT FEDERATED HERMES (EOS)

EOS is a leading stewardship provider, with highly skilled engagement specialists who engage on behalf of most of our pooled funds in Europe and some in Australia. Working alongside our dedicated stewardship team, EOS adopts a three-year engagement plan that is aligned with our stewardship priorities. Throughout the engagements, we help shape the priorities, thematically, through annual surveys and semi-annual meetings. Progress is carefully tracked and monitored, resulting in joint engagements with companies, alongside our EOS analysts, when warranted. Our Sustainable Investment Council is responsible for ensuring the [EOS Responsible Stewardship 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 mean it is a strong complement to the stewardship team. Our Proxy Committee reviews ISS's recommendations annually to encourage it to continually improve how it implements our voting guidelines.

Our Data Providers, Tools and Technology

ESG Research and Screening

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

Technology Enablers

- FactSet
- Bloomberg
- Code Red
- Aladdin
- Snowflake
- Microsoft Azure

ESG research and screening tools provide information to evaluate companies. Technology enablers assist in sharing data.

Rewarding Performance

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

Additionally, ESG goals are included in the performance expectations of all members of the sustainable investing and stewardship team, members of the Sustainable Investing Council, members of the Proxy Committee and some portfolio managers.

By applying these incentives, we seek to achieve success in our sustainable investing business based on a multi-dimensional view, including engagement and proxy voting, performance of investment strategies, innovative product development, growth and thought leadership. Performance expectations of our sustainable investing and stewardship team members are nearly

completely tied to ESG-related goals, including development of and execution on our engagement plan, original research and thought leadership, policy research, support for the Proxy Committee and Sustainable Investment Council, client reporting and oversight of our vendors. By contrast, the managers of our fund products might spend less than 30% of their time overseeing ESG or sustainable investment products. For example, within that 30% allocation, they might be assessed on ensuring that adequate processes and controls are in place to manage securities lending for our ESG products.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

**06 Integrating Stewardship,
Investing and ESG**

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

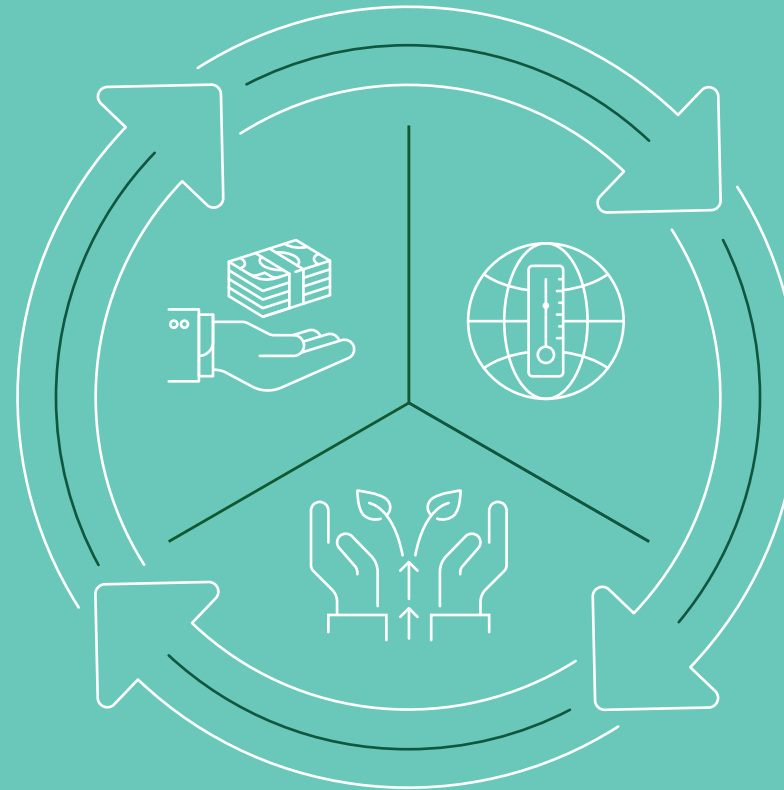
11 Monitoring Service
Providers

12 Review of and Adherence
to Policies

13 Addressing
Conflicts of Interest

14 Appendices

06 Integrating Stewardship, Investing and ESG



Sustainable Investing Approach

We employ a rigorous analytical investment approach, leveraging quantitative and fundamental research and 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 actively designed investment solutions purposefully employ a robust four-step investment approach: analyze, measure, monitor and engage.

Four-Step Investment Approach

1. Analyze

We seek out topics and issues that are financially material and industry specific that can shape short- and long-term results. We develop proprietary frameworks of measurable ESG targets by leveraging a mix of leading industry-standard frameworks, such as SASB and TCFD.

2. Measure

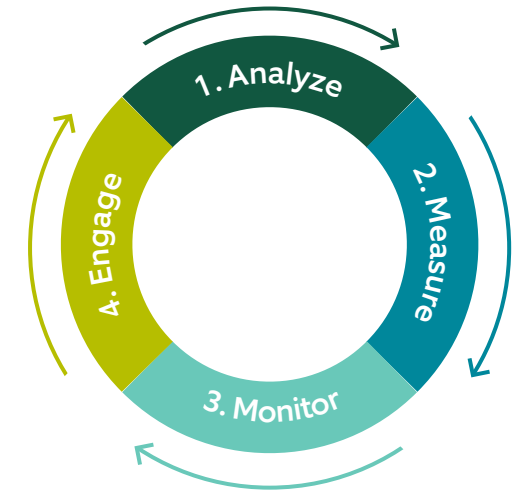
We believe the companies that put sustainability at the core of their business — those with a strong strategic vision and a deep understanding of the inter-connectivity between people, planet and profit — are likely to reap long-term rewards. We use all the tools at our disposal — external best-in-class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

3. Monitor

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

4. Engage

Stewardship is an integral part of our investment process, rooted in our firmly held belief that it is our duty to regularly engage with the companies in our portfolios. We communicate with these companies through dialogue and voting on issues of substance: those that can affect business on many levels. This active ownership approach applies to all companies we invest in, whether the investment strategy is actively managed or indexed. Our disciplined proxy voting policy and multi-cycle engagement program encourage the companies in which we invest to pursue and disclose sustainable business practices that we believe will lead to long-term value.



Collaborating with Investment Research

The sustainable investing and stewardship team regularly collaborates with NTAM's fundamental equity, fixed income and quantitative research teams.

Our fundamental equity research team provides sector and company insights to help assess the financial impact of a company's ESG risks, which helps the stewardship team prioritize companies to engage with and topics to discuss. As thought leaders, the research teams participate in SASB Standards advisory groups on various topics, including social media content management, human capital management, and extractives and mineral processing. The teams collaborate on client-focused research and thought leadership.

The fixed income research team provides insights on the magnitude of ESG risks of bond issuers, aiding the stewardship team in determining the appropriate depth of engagement with those companies. In 2021, the fixed income research team began joining the stewardship team for company meetings.

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

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

The Proprietary ESG Vector Score

The ESG Vector Score focuses on the magnitude and direction of key ESG-related business issues likely to have a financial impact on companies, and hence a portfolio's performance.

It provides a consistent, transparent methodology to gain greater clarity when building and managing sustainable portfolios. Additionally, it acts as a valuable indicator of corporate management of sustainability risks and can play an important role in stewardship activities by drawing attention to financially material issues to engage and track progress on with companies.

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

ESG Vector Score Benefits

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

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

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

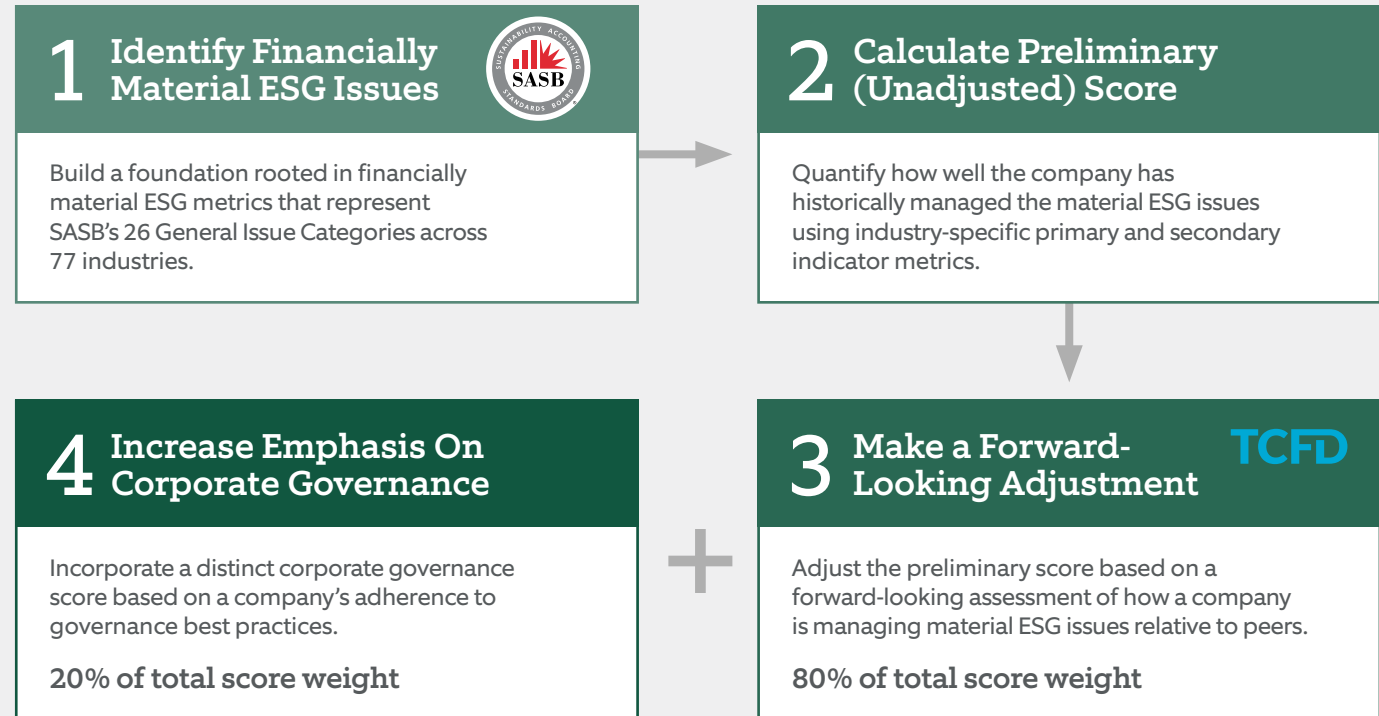
Assists in prioritizing corporate engagements, further aligning sustainable investments and stewardship — leading to more deliberate engagements and the ability to track progress over time with a consistent metric.

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

The ESG Vector Score forms the core of several investment products. In 2021, we launched eight exchange-traded funds that use the score to help select equities, investment grade bonds and high yield bonds. Additionally, in the U.S., the ESG Vector Score and additional ESG-related exclusionary criteria support equity index strategies to provide exposure to companies with sustainable business practices in diversified portfolios.

Similarly, in Europe, we designed a series of investment products that combine our quantitative factor-based equity investment process, exclusionary criteria and the ESG Vector Score. The products have a better aggregate ESG Vector Score than their benchmarks.

ESG Vector Score Process



Source: Northern Trust Asset Management.

Training and Education to Deepen ESG Integration

The sustainable investing and stewardship team in 2021 led numerous training sessions for investment professionals, executive leadership, clients and employees to enhance their understanding of ESG, our sustainable investing business and sound investment practices.

These included training or educational sessions on:

- The ESG Vector Score for the equity research, institutional sales and intermediary sales teams.
- ESG product launches and systemic climate risk for sales teams.
- Sustainable investment philosophy and ESG integration for new employees, on a quarterly basis.
- ESG-related strategy, policies, emerging regulations and market insights for our fund boards.
- Progress on our integration of sustainable principles into our investment process to the Northern Trust Sustainability, Inclusion and Social Impact Council and Northern Trust board of directors.
- Principles for Responsible Investing (PRI) reporting updates to clients, consultants and stakeholders globally.
- Our sustainable investing philosophy and business for our internal professional development groups, including NTAM Align, the Advancing Professionals Resource Council, and the Northern Trust Sustainability Network.

Improving the Integration of Stewardship, Sustainability and Investing

We are developing a process, between the stewardship specialists and the investment team, to link progress more seamlessly between our stewardship engagements and our investment decisions.

As a guide for this effort, we are using the UN Principles for Responsible Investment Active Ownership 2.0 objectives, which encourage investors to shape sustainability outcomes through more assertive and effective stewardship activities.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

06 Integrating Stewardship,
Investing and ESG

**07 Our Approach
to Engagement**

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

11 Monitoring Service
Providers

12 Review of and Adherence
to Policies

13 Addressing
Conflicts of Interest

14 Appendices

07 Our Approach to Engagement



Serving as an investment steward for \$1.3 trillion of client assets is a privilege, and we appreciate the significant responsibility that comes with it.

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

To influence companies to adopt more sustainable practices, we prioritize our engagements with purpose. That is, we identify the areas that represent the most significant threats to sustainability and focus on where we can make the greatest difference.

We identify these priorities through:

Key themes

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

Internal alignment

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

Client priorities

Some of our most effective stewardship outcomes begin with our clients. We are adept at not only listening to what our clients judge important, but also at aligning our efforts with the priorities and organizational values of most of our institutional investors.

Region

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

Probability of success

Our resources should be committed toward goals with the highest likelihood of success, using realistic and time-bound objectives.

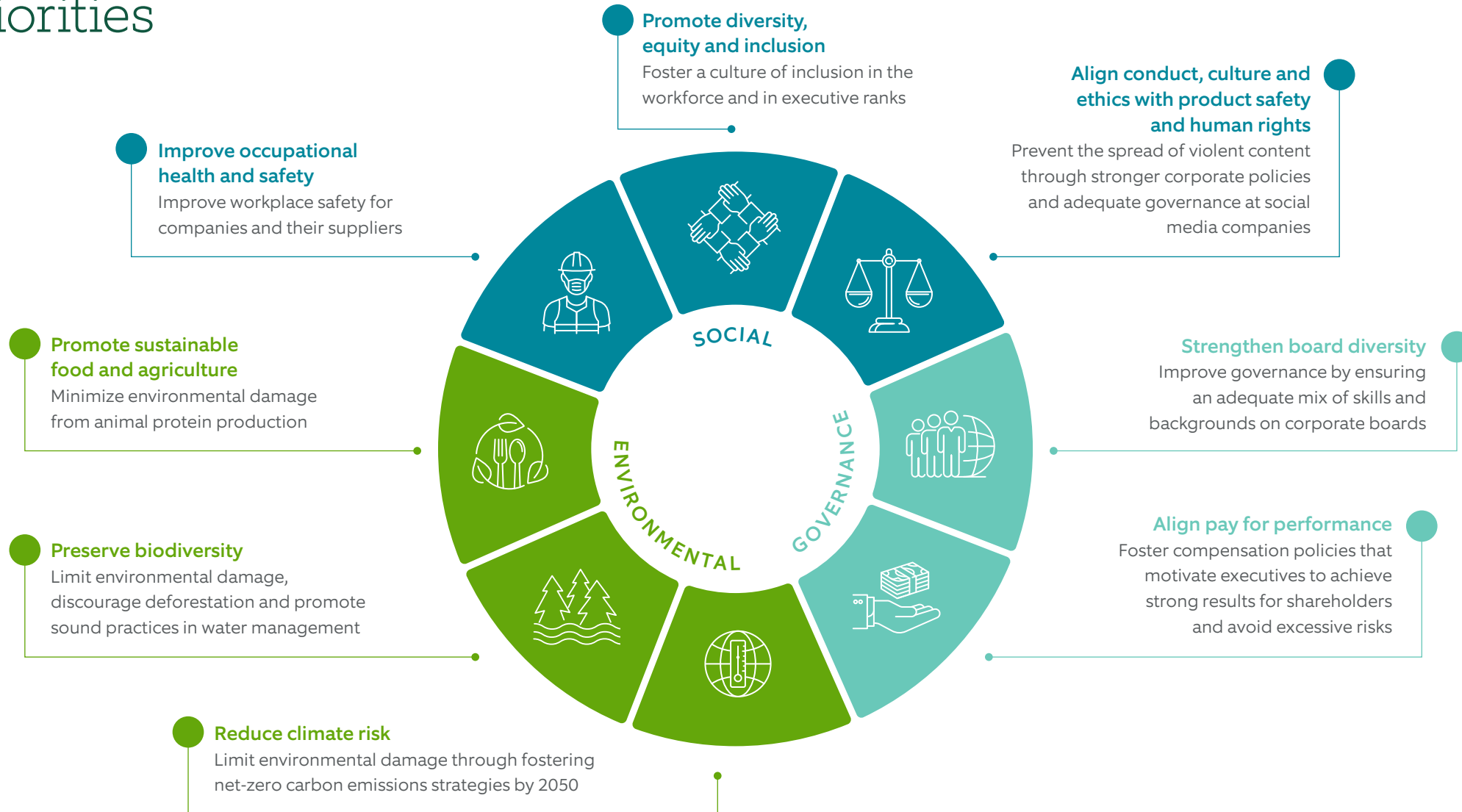
We have identified more than 30 themes that may impact a company's long-term value. Yet, given finite resources, the stewardship team can only focus its engagements on a limited set of issues and a small volume of companies. To address this limitation, the stewardship team focuses on the issues that are the most materially relevant to the long-term enterprise value of companies.

These include companies with:

- The most egregious corporate governance issues.
- High ESG risks, relative to other companies.
- Market capitalization of \$200 billion in the U.S. or \$25 billion outside the U.S.
- The willingness to engage with us.

We also prioritize companies where our voting power exceeds 1.5% of all votes. Further, our ESG Vector Score informs how we prioritize engagements.

2021 Engagement Priorities



Engagement Across Asset Classes and Geographies

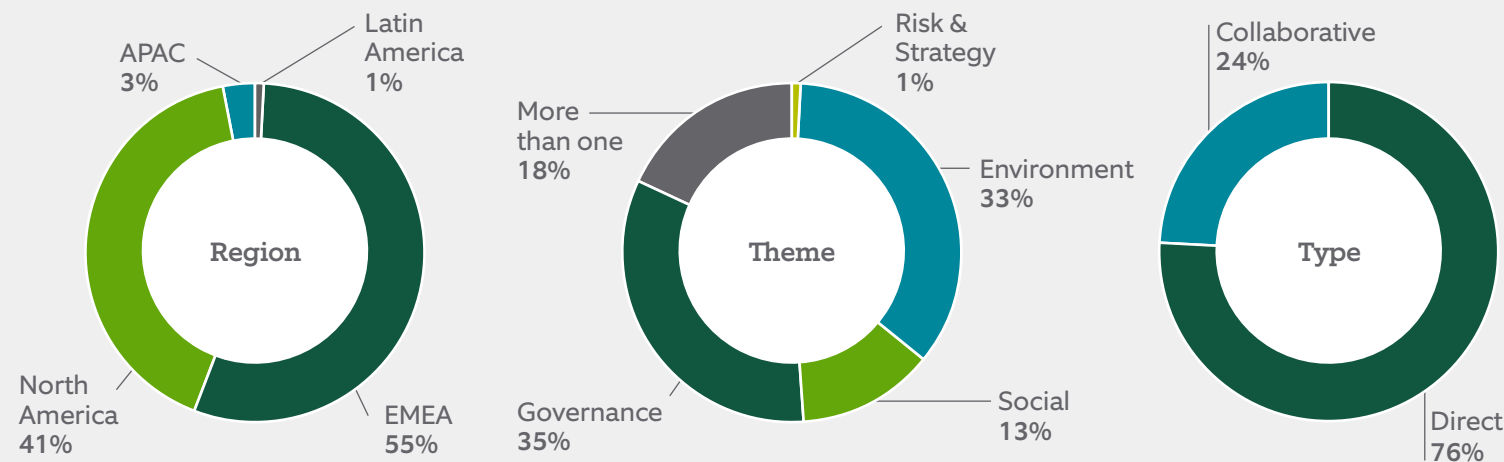
As a manager of equities and corporate bonds, we engage on behalf of investors in both asset classes. As our clients are predominantly long-term investors, we believe many are equally interested in fostering sustainable business practices in their portfolios.

In the U.S., we own both corporate bonds and equities in 89% of the companies with which we engaged. In Europe, that ownership overlap is 60%. Consequently, when we engage, we do so simultaneously on behalf of equity and bond holders.

In regard to U.S. municipal bond issuers, our research analysts meet regularly with states, cities, colleges and hospitals to address sustainability topics such as climate issues, pension health, employee relations and diversity. In the coming years, we plan to expand our fixed income engagements to include government bond issuers (sovereigns).

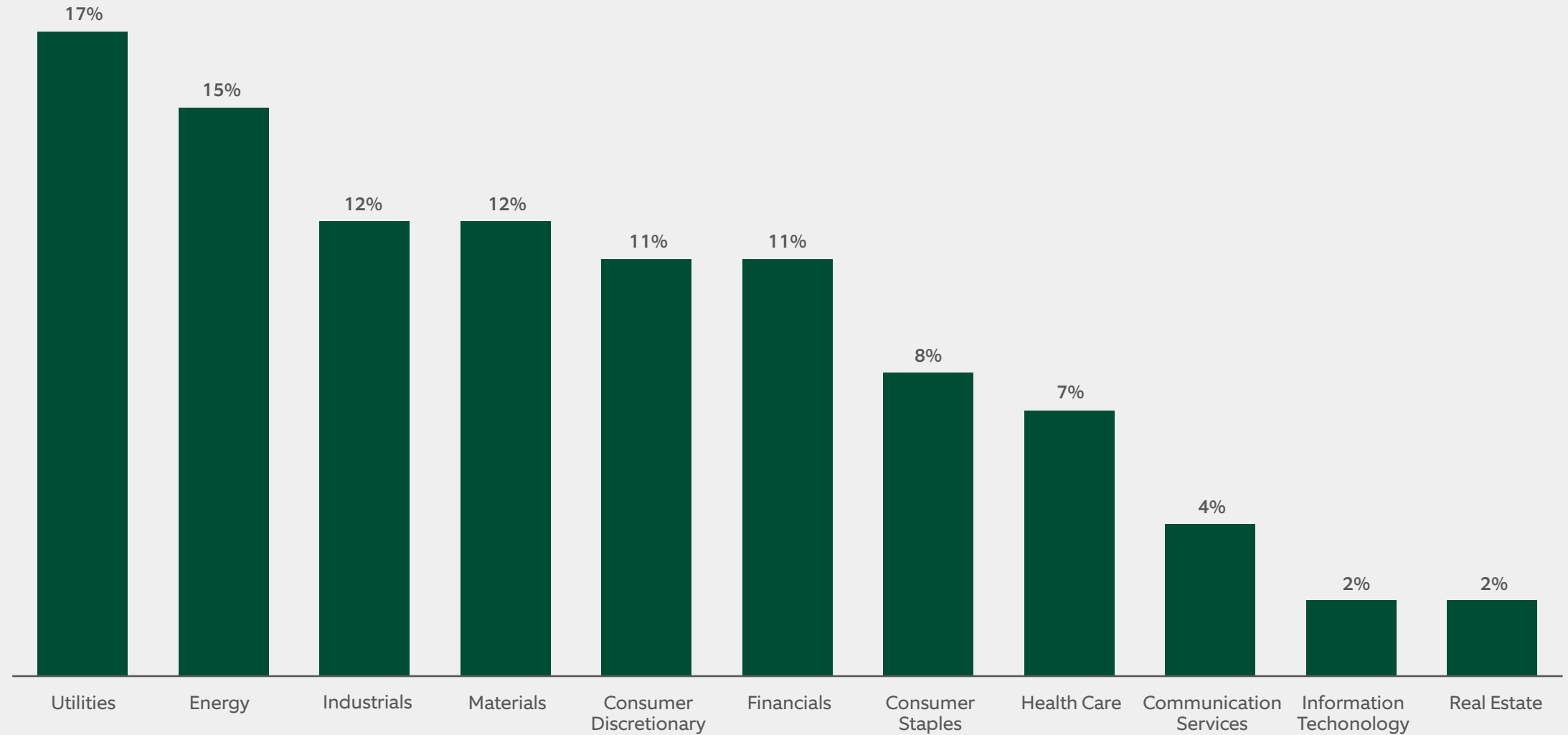
As we are a global asset manager, we use our voting rights uniformly across regions. However, we prioritize our engagement activities where we can make the biggest difference, in particular the U.S. and Europe where we manage most of our assets. Our external engagement partner EOS helps to extend our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

2021 NTAM Engagements



Source: Northern Trust Asset Management. Base numbers are collected from the number of engagements we tracked in Code Red that were direct engagements Northern Trust performed directly or in collaboration with other investors on both objectives and issues. An engagement may refer to a meeting with a company on a specific date. Individual engagements may have covered one or more themes per engagement.

2021 NTAM Engagements by Sector



Source: Northern Trust Asset Management.

Methods of Engagement

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

In addition to direct engagements managed by our stewardship specialists, we conduct collaborative and outsourced engagement activities. In collaborative engagements, we partner with other investors with similar views on sustainability. We approach companies backed by the weight of the group's combined assets, magnifying our ability to influence companies' behavior. This is exemplified by our involvement in initiatives like Climate Action 100+ and Farm Animal Investment Risk and Return.

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



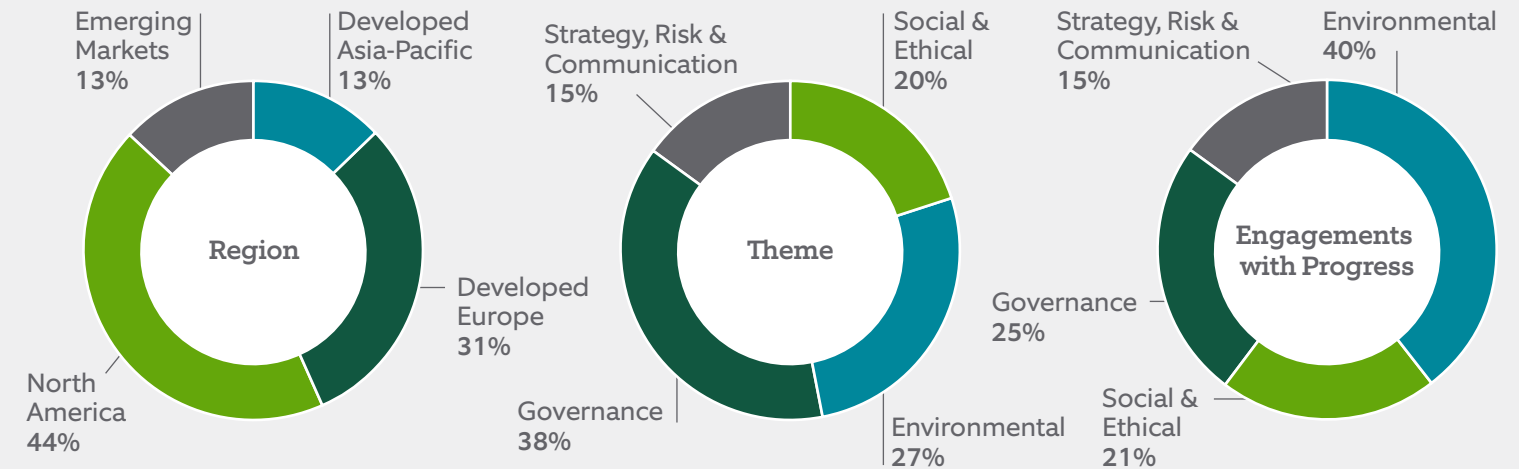
We approach companies backed by the weight of the group's combined assets, magnifying our ability to influence companies' behavior.

Augmenting Our Resources with EOS

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

One of those resources is EOS. We leverage EOS's scale and expertise to engage with thousands of companies annually across hundreds of markets, to address the issues important to our clients in certain regions. European and, increasingly, Australian clients have shown the most interest in this level of engagement, which is why our contract with EOS represents funds in those regions. While EOS performs these engagements independently in line with our priorities, from time to time we collaborate with them to emphasize to companies the priority a particular issue holds for us.

2021 EOS Engagements



Source: EOS. Engagements with progress mean EOS achieved milestones 2, 3 or 4 with companies. EOS made a total of 3,657 engagements on issues and objectives in 2021 on behalf of NTAM. There were 813 engagements on objectives with progress.

Case Study

Collaboration with EOS to Engage with Tesco

THE CHALLENGE

Tesco, one of the world's top 10 retailers, committed to increase its share of sales in meat alternatives.

WHAT WE DID

This commitment aligns with our stewardship priority of promoting sustainable food and agriculture, through diversifying protein products beyond meat with plant-based proteins and improving the sustainability of the company's supply chain. In collaboration with EOS, we engaged with the company to check on its progress.

THE OUTCOME

Tesco responded that it is talking to large meat suppliers and alternative protein start-ups about committing to alternative proteins production. It is in the process of updating its soy requirement which will include certification schemes and requirements for its tier 1 suppliers to present roadmaps supporting its zero deforestation commitment by 2025.

Case Study

EOS Engages with Starbucks on Our Behalf

THE CHALLENGE

Investors including EOS have been encouraging global coffee chain Starbucks to promote the use of more sustainable packaging at its stores because of concern over one-use plastics that lead to pollution.

WHAT EOS DID ON OUR BEHALF

EOS has aligned with Plastics Solutions Investor Alliance to ask Starbucks to speak more openly on plastics pollution and to expand availability of reusable containers and recycling at its stores. Starbucks has acknowledged the increasing regulatory risks of using plastic packaging at its stores.

THE OUTCOME

In 2021, Starbucks published its 2025 targets to tackle plastic packaging and accelerate the transition to a circular economy, which encourages economic development through re-use of resources rather than consumption of finite resources. EOS will be encouraging transparent disclosure on absolute reductions in plastic packaging and more ambitious actions to achieve its commitments to eliminate unnecessary packaging.

OUR DIRECT ENGAGEMENTS

Case Study

Daimler

THE CHALLENGE

The 2020 Corporate Human Rights Benchmark report by the World Benchmarking Alliance assessed human rights policies based on disclosures by 229 global companies across five sectors identified as presenting a high risk of negative human rights impacts. The auto sector scored very low.

WHAT WE DID

We engaged with automaker Daimler, which appeared to be one of the leaders on human rights issues in the auto sector. We wanted to understand how Daimler drove the industry's best practices in reducing risks of human rights abuses by its suppliers.

THE OUTCOME

We learned that Daimler has identified its highest risk supplies, such as cobalt, and created a process to identify and address suppliers with violations.

Case Study

WHSmith

THE CHALLENGE

WHSmith is a global retailer known for selling books, newspapers and stationery at airports, railway stations and hospitals. We wanted to check on the company's progress with its sustainability strategy.

WHAT WE DID

We engaged with WHSmith, given its substantial exposure to timber and paper products, to make sure that it was consistently working with all its suppliers to deliver on its sustainability goals, particularly on deforestation.

THE OUTCOME

We learned that the company has developed targets to reduce the environmental impact from timber purchases, ensuring all virgin materials used in its production are from certified forests or recycled post-consumer waste. Its procurement team, using a well-established audit process, investigates its suppliers' environmental, product safety and human rights records.

Case Study

Identifying Engagement Opportunities with the ESG Vector Score

THE CHALLENGE

In 2021, we identified a potential concern over the lack of paid leave for employees with illness related to COVID-19, related to our themes of human capital management, occupational health and safety. During the early stages of the pandemic the U.S. government temporarily required paid leave for workers, such as those who work in the food industry, because of the pandemic. However, in absence of this requirement, about 30 million workers were at risk of having no paid sick leave.⁶

Preliminary research has shown that paid sick leave mutually benefits employees and employers, and helps prevent the spread of illness.⁷ Many global food franchisors extend generous benefits to their own employees. But in some instances, up to 95% of a franchisor's individual restaurants globally are owned by independent franchise owners with complete discretion over employee pay and benefits. Those independent owners may falter on providing paid sick leave for workers unless encouraged to do so by the franchisors.

WHAT WE DID

We examined the ESG Vector Scores of companies in the consumer discretionary sector, which includes restaurant chains. We focused on their scores for supply chain management, which includes how well franchisors train their franchisees on labor and human rights issues. We also researched their lobbying positions and activities on key industry topics.

THE OUTCOME

Based on these criteria, we identified three target companies in the retail food franchise industry for engagement because of potentially sub-par supply chain management practices: Domino's, Wendy's and Restaurant Brands International. We sent them letters, informing them that their supply chain management practices were weaker than those of their peers. We offered them the chance to engage directly with us to discuss further.

⁶ <https://www.americanprogress.org/issues/women/reports/2020/09/01/489914/urgent-case-permanent-paid-leave/>.

⁷ <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/paid-sick-days-good-for-business-and-workers.pdf>.

Leading Through Collaboration

When it comes to stewardship, the old adage holds true: there's strength in numbers.

That's why we collaborate with a number of large investor groups, representing trillions of dollars in investable assets. Together, we are powerful and exercise a strong voice that commands notice — and results.

With the aim of maximizing our impact, we engage through a variety of mechanisms and partnerships. In addition to direct engagements managed in house, we conduct collaborative

and outsourced engagement activities.

Collaborative engagements tend to entail a partnership of asset owners and managers with similar long-term sustainability views. They are conducted with the weight of the group's pooled assets, and can be an effective tool for underscoring the relevance and importance of issues. Initiatives like Climate Action 100+ and Farm Animal Investment Risk and Return are good examples.

We collaborate with a number of large investor groups, representing trillions of dollars in investable assets. Together, we are powerful and exercise a strong voice that commands notice — and results.

Collaborative Engagements in 2021

Climate Action 100+

Members: 700

Combined member investment assets: \$65 trillion

Goal: Enhance corporate strategies to meet climate change goals

How we contributed in 2021: We co-led engagements with four companies: CEZ AS, Glencore, National Grid and Valero Energy. We acted as supporting investors for over a dozen other groups including Bunge, which we joined in the fourth quarter.

Farm Animal Investment Risk and Return (FAIRR)

Members: About 300

Combined member investment assets: \$45 trillion

Goal: Minimize the environmental damage from, and investment risks related to, farm animal protein products

How we contributed in 2021: We participated in five collaborative engagements led by FAIRR regarding sustainable proteins.

Continued >

Climate Action 100+: Collaboration to Fight Climate Change

We identified climate risk — beyond the damage to the environment — as a systemic risk to financial markets.

To mitigate environmental, societal and financial damage, governments will likely mandate regulatory changes to reduce carbon emissions. This represents a potential threat to profits of companies that sell oil- or coal-related energy.

The urgency of addressing climate risk has been underscored by global leaders and increasingly by investors, as the pandemic has made them acutely aware of the impact on returns that result from a non-financial led crisis.

In 2021, we engaged with companies in collaboration with other large investors, giving us more negotiating leverage. As a founding and active member of Climate Action 100+, which brings together 700 investors (representing \$68 trillion in assets)⁸ that coordinate engagement efforts across more than 160 companies with the highest greenhouse-gas emissions, we are calling for these companies to achieve net zero greenhouse gas emissions by 2050 and develop clear transition plans. These efforts are in accordance with the Climate Action 100+ Net Zero Benchmark framework we helped develop in 2020 to evaluate company ambition and action in tackling climate change.

⁸ Climate Action 100+, <https://www.climateaction100.org/about/>.

Collaborative Engagements in 2021

continued

Initiative on Content Management in Social Media

Members: 102

Combined member investment assets: \$7 trillion

Goal: Improve governance of social media companies to prevent the spread of violent content

How we contributed in 2021: We supported a consultancy report assessing progress made by Alphabet, Twitter and Facebook and challenges that remain for future engagement with these companies.

Investor Advisory Group of Sustainable Accounting Standards Board

Members: 61

Member assets: \$52 trillion

Goal: Better disclosure of financially material ESG information to investors

How we contributed in 2021: We engaged with companies in collaboration with other investors to adopt SASB materiality-based ESG reporting standards.

Continued >

In collaboration with Climate Action 100+, we engaged with companies to:

- Set short-, medium-, and long-term goals and create strategies to reduce emissions.
- Align their business strategy and capital investments with climate change goals.
- Create a clear set of climate policies supported by an effective governance framework, with clear reporting on progress.
- Positively engage with policymakers to foster climate action.
- Provide reporting aligned with the recommendations of the TCFD.
- Ensure that the transition to net zero emissions considers the impact on employees, communities and other stakeholders.

Largely as a result of the group effort, the six largest oil and gas companies and the four largest mining companies in Europe, along with some of their Australian and U.S. peers, have committed to net zero carbon emissions by 2050 or earlier. Most of them set ambitious greenhouse gas emission reduction targets and disclosed details of strategies and investment plans outlining how they are going to achieve their goals. Further, many European electric utilities have worked to set out plans detailing how they will reduce their exposure to coal and increase exposure to renewable energy.

Based on the progress of our ongoing conversations with companies, we believe we will make the most progress toward climate goals through engagement and collaboration. Therefore, we expect fewer shareholder resolutions on this issue going forward.

Collaborative Engagements in 2021

continued

Institutional Investors Group on Climate Change (IIGCC)

Members: 375

Combined member investment assets: €51 trillion

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

How we contributed in 2021: We co-led an engagement with Credit Suisse.

Global Real Estate Sustainability Benchmark (GRESB)

Members: ~140

Combined member investment assets: \$48 trillion

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

How we contributed in 2021: Co-signed 36 letters with GRESB to encourage participation in the 2021 GRESB Real Estate Assessment.

Case Study

How We Co-Led Climate Action 100+ Engagement with National Grid

THE CHALLENGE

Electricity and natural gas provider National Grid has not disclosed Scope 3 emission reduction targets. Scope 3 includes emissions by assets that companies don't own, such as from transportation related to their businesses and their products after sale.

WHAT WE DID

Since 2019, as a co-lead investor in the Climate Action 100+ engagement with National Grid, we have urged the company to disclose Scope 3 targets.

THE OUTCOME

In 2021, National Grid set a new medium-term Scope 3 target that covered 80% of the company's Scope 3 emissions, targeting a 38% reduction by 2034 from a 2019 baseline. National Grid also was the first utility company to put its carbon transition plan to an advisory shareholder vote in 2021. The plan received 99% support from investors.

Case Study

How We Collaborated with Climate Action 100+ with Sasol

THE CHALLENGE

Climate Action 100+ has targeted engagement with Sasol, South Africa's largest integrated energy and chemicals company, because its significant level of emissions makes it systemically important for the global transition to net zero greenhouse gas emissions.

HOW WE COLLABORATED WITH CLIMATE ACTION 100+

Throughout 2021, we consistently engaged with the company to ensure that it developed a sufficiently credible and robust decarbonization strategy. Climate Action 100+ requested that Sasol publish a carbon transition plan through to at least 2030.

THE OUTCOME

Sasol published its 2021 Climate Change report, a significant step forward in terms of the company's public disclosure on climate change, emissions reduction targets and decarbonization planning.

FAIRR: Collaboration to Expand Sustainable Protein Production

The Farm Animal Investment Risk and Return (FAIRR) initiative raises awareness of the ESG risks related to intensive livestock production.

Animal agriculture contributes to climate change, land degradation and biodiversity loss, according to FAIRR. In the U.S., beef accounts for only 4% of the retail food supply by weight, yet it represents 36% of diet-related greenhouse gas emissions. In 2021, we continued to participate in FAIRR's collaborative engagement on sustainable proteins, which is the world's first and largest investor engagement focused on encouraging global food companies to transition to more sustainable food products, such as plant-based proteins.

As of 2021, all the companies targeted are investing in the development of plant-based protein products and nearly 30% of them plan to increase sales of alternatives to meat and dairy.

We have signed on to FAIRR's Working Conditions engagement, which addresses human capital risks in the animal farming industry. This campaign engages seven of the largest protein producers to implement long-term changes related to health and safety, fair working conditions, and worker representation.

Companies investing in plant-based protein products

30% plan
to increase sales
of alternatives to
meat and dairy

Escalating Engagements

When we initially contact companies with our concerns, we request dialogue with representatives of the board of directors. We prefer to continue that dialogue to resolve our concerns.

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

We generally escalate our engagements when companies fail to make adequate progress on objectives without a 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 the regulatory approval is still pending, we may not find cause to escalate. In such instances we would be more likely to monitor the progress of the regulator's actions and the company's efforts to seek resolution. However, in instances where the company shows little effort to progress the objectives, there are few impediments impeding action, and/or targets or goals adopted show insufficient stretching, we are likely to proceed towards escalation.

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

Milestones to Track Success

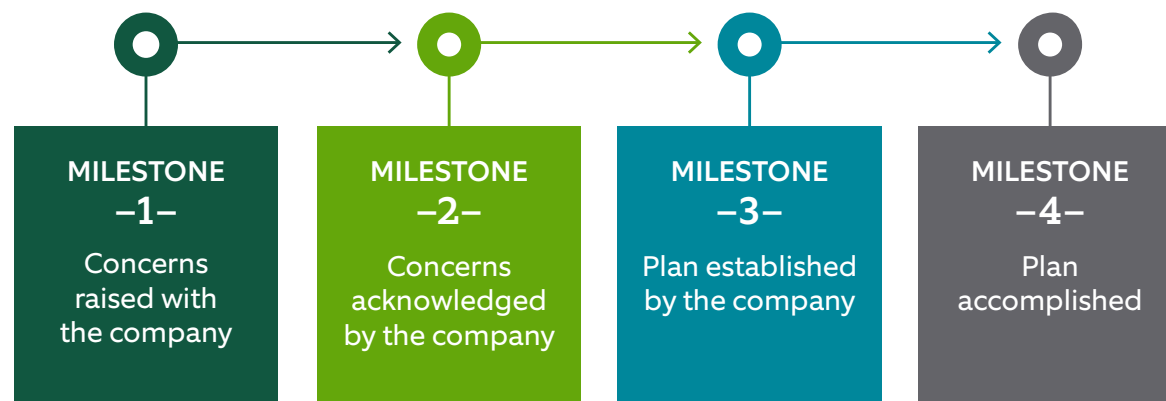
To track the progress of engagement campaigns we use milestones.

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

We initiate engagement campaigns with letters to companies we have targeted for engagement and a request for dialogue with

representatives of the board of directors. In those letters, we articulate our concerns, the reasons for those concerns and our assessment of the company's performance. We also explain how we will measure progress by the company to resolve our concerns, and how much time the company has to make sufficient progress.

Measuring Progress in Engagement Campaigns

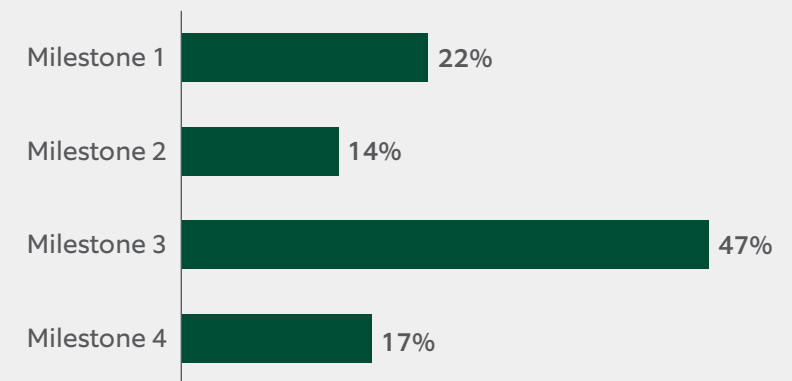


Source: Northern Trust Asset Management.

Our engagement partner EOS uses a similar set of engagement milestones.

To document and plan our engagements, we use the software Code Red, which tracks engagement objectives, key-performance indicators on companies' progress, and notes on engagements. Code Red provides details of plans related to our engagement campaigns, including the engagement theme, priority, engagement format, the criteria we used to identify target companies, and a list of companies selected for the campaigns.

2021 NTAM Direct Engagements by Milestone



Source: Northern Trust Asset Management.

Differences Among Fund Types, Geography and Asset Classes

Fund structures may influence varied levels of engagement and escalation. With finite resources, we prioritize our direct engagements and escalation to focus on companies with large market capitalization.

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

Geography may also impact how we decide to escalate engagements. In markets where we have not previously engaged, we may have less familiarity with how to address certain issues. In these instances, we may limit our engagement to only informing companies of our perspectives and why these issues are important. For example, if we want to push for gender diversity in certain countries, we

must acknowledge that cultural resistance means it will take more time and resources to reach our goals. That may affect our decision on whether to escalate.

As for asset classes, we recognize that investment interests between fixed income and equity investors can sometimes go in opposite directions. However, in most cases we believe that ESG issues we are seeking to influence are asset-class neutral. In other words, in most instances we believe that companies taking positive action on important ESG issues will benefit credit and equity investors over the long term. So we are just as likely to engage and escalate those engagements for both cases.

We believe that companies taking positive action on important ESG issues will benefit credit and equity investors over the long term.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

06 Integrating Stewardship,
Investing and ESG

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

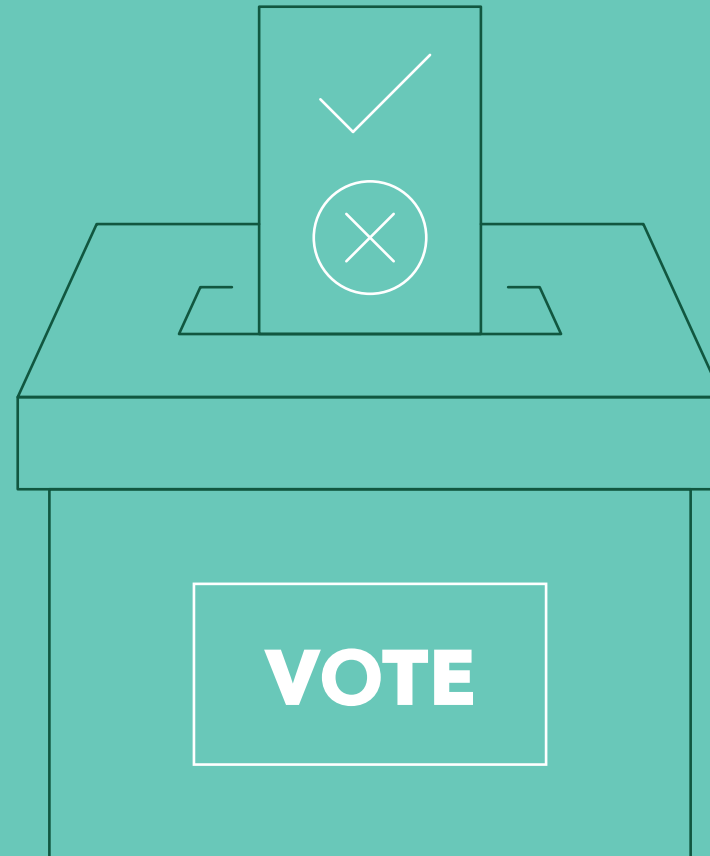
11 Monitoring Service
Providers

12 Review of and Adherence
to Policies

13 Addressing
Conflicts of Interest

14 Appendices

08 Purposeful Proxy Voting



Integrating Engagement and Proxy Voting

We believe it is our duty to regularly engage with companies in our portfolios, and our experience shows that engagement and proxy voting have the biggest impact when they are used in combination.


Our proactive dialogue with companies, reinforced by our voting power, encourages them to improve practices that strengthen sustainability.

We support shareholder resolutions when we believe conversations with companies have not led to sufficient progress on issues, especially for those issues we view as priorities. While supporting shareholder resolutions is an important way to communicate our views, many resolutions tend to be non-binding and hold little sway with management. We find that companies are more likely to take our concerns seriously

when we vote against directors who lead board committees, such as those responsible for ESG risks or compensation. In particular, we vote against directors when our concerns are not acknowledged or there is little progress in addressing them.

- Voted against management 23,818 times (16% of all resolutions) up from 13,728 times in 2020 (9% of all resolutions). See [Appendix 1](#) for more details.
- Supported 50% of resolutions related to diversity, equity and inclusion.
- Voted against board candidates 13% of the time.

Supported 
50% of resolutions
 related to diversity, equity and inclusion

Voted against board candidates 
13% of the time

Voted against management in 2021 
23,818 times
16% of all resolutions


Compared to
 Voted against management in 2020 
13,728 times
9% of all resolutions

Proxy Voting

As a major index investor representing permanent capital in more than 10,000 companies globally, we see voting at shareholder meetings as one of the best ways NTAM can further stewardship goals on behalf of our clients.

Academic research shows that corporate management pays attention to who is voting and how. This research also shows that management is willing to negotiate on shareholder resolutions that have the backing of institutional investors. See [Appendix 2](#) for a list of how we voted on shareholder resolutions.

We have established proxy voting policies, procedures and guidelines to provide a thoughtful approach to voting on ESG issues. We generally encourage reporting that enables shareholders to evaluate the impact of ESG policies and practices on a company's financial performance, provided it is not unduly costly or burdensome, and does not place the company at a competitive disadvantage.

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

Our Current Practice

The fundamental precept followed by Northern Trust Asset Management in voting proxies is to ensure that the manner in which shares are voted is in the best interest of clients/beneficiaries and the value of the investment.

Absent special circumstances of the types described in these policies and procedures, NTAM will generally exercise its proxy voting discretion in accordance with our proxy voting policies, procedures and guidelines.

Proxy Committee

Our Proxy Committee has responsibility for the content, interpretation and application of the proxy guidelines.

A group of senior investment and compliance officers make up the committee's membership. The approval of proxy votes or changes to these policies and procedures, or the proxy guidelines, may be made by majority vote of those present (in person or by proxy) at a meeting called for that purpose.

Proxy Voting Service

We have delegated responsibility to review proxy proposals and to make voting recommendations to the Proxy Committee to an independent third party.

For proxy proposals that are to be voted on a case-by-case basis, we provide supplementary instructions to the third party. We have instructed the proxy voting service not to exercise discretion in making vote recommendations. Instead, it should seek guidance whenever it encounters situations either not covered by the guidelines or where their application is unclear. If the proxy voting service 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 shall be responsible for reviewing the proxy proposal and making a voting recommendation.

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

Application of Proxy Guidelines

We apply our proxy guidelines flexibly.

The Proxy Committee may vote proxies against the recommendations of the proxy voting service or one of our investment analysts, if the committee thinks this 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 (the guidelines), for the voting of proxies on behalf of all of the funds, except for the Global Sustainability Index Fund and the U.S. Quality ESG Fund and certain ESG-focused FlexShares ETFs.

Absent special circumstances, we will generally exercise our proxy voting discretion 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.

With regard to the Global Sustainability Index Fund and the U.S. Quality ESG Fund, and certain ESG-focused FlexShares ETFs, the Proxy Committee has adopted the ISS U.S. SRI Proxy Voting Guidelines for the voting of U.S. proxies, and the ISS International SRI Proxy Voting Guidelines for voting of international proxies.

Pass-through Voting

We recognize the continual evolution in practice within stewardship, specifically pertaining to engagement and proxy voting.

In relation to the recent recommendations from the Taskforce on Pension Scheme Voting Implementation for trustees to develop their own voting policies and set an “expression of wish” to their asset managers regarding their voting preferences in pooled funds, we note that this is still a relatively new concept. Previous industry discussions have concentrated on “directed voting in pooled funds.” As such, market practice has yet to be established in terms of standardized form, content and scale of client demand.

We believe the industry will need some time to develop practical solutions for the implementation of expressions of wish. This is acknowledged by the Financial Conduct Authority in its recently published ESG strategy, which recognized a need to focus on how the voting infrastructure and wider ecosystem supports the stewardship activities of asset managers and owners.

Reflecting this backdrop, we are discussing how to allow clients to direct voting. We are committed to working with clients to understand whether they want this facility, as well as with the regulator and government to assess the practical considerations for a scalable, efficient solution.

Proxy Voting and Securities Lending

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

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

Unvoted Meetings

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

With 15,833 meetings available to vote during the period, 15,655 were voted, equating to approximately 99% of the votable meetings with less than 1% unvoted. Our policies and procedures detail reasons why we might not participate in a meeting where we have eligible shares to vote.

The most common reasons are:

- **Global sanctions** prevent us from taking action.
- **Securities recall** where the costs outweigh the benefits. This impacts shares on loan in lending accounts only.
- **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.

During 2021, a miscommunication between a custodian and a market intermediary responsible for ballot generation prevented some accounts from participating in a market event. These types of technical errors are outside of our control. When they do occur, we will generally request an incident report from the market intermediary with whom we have the most direct contractual relationship and review whether there are any internal processes which could be updated.

Additionally, there were 10 meetings where we did not take action due to Russian economic sanctions. Further, we did not act at 198 meetings due to share blocking.

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 NTAM or by visiting the [funds' website](#) or the Securities and Exchange Commission's website at www.sec.gov.

We use watchlists and alerts for key meetings on ESG-related topics such as climate, human capital and compensation. We both receive and produce weekly reports for the Proxy Committee on matters where we are taking discretionary action. On a daily basis, we monitor matters that may be impacted by global sanctions. Upcoming meetings where we have shares on loan are reviewed several times a week to determine if recall will be necessary (refer to section on share recall and securities lending). Finally, we also review weekly the voting service/proxy advisors' implementation of our policy against conflicts of interest, to ensure our guidelines are being applied fairly and objectively.

Website Content

Our website gives links to our voting records as detailed below.

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

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

[Stewardship website](#)

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Amendments in Indentures or Contracts for Fixed Income

When considering or seeking amendments to terms and conditions in indentures or contracts we take a case by case approach.

Our goal is not to try and run the business, but at the same time we recognize we have a duty of care to our clients' investments. In considering amendments we look to understand whether the company has reasonable controls in place and the overall quality of the company's governance systems and processes, including recent controversies that might call into question the integrity of the management. Generally we expect high yield 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 seek amendments that provide mutually beneficial results to the company and investors.

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

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

06 Integrating Stewardship,
Investing and ESG

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

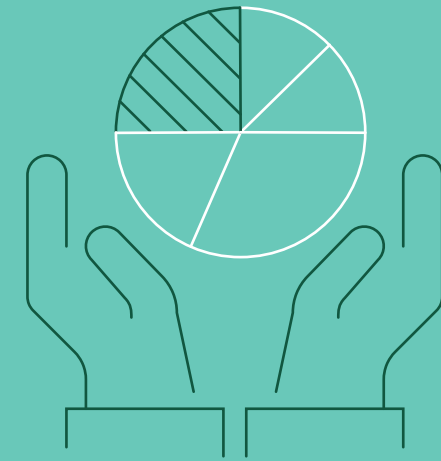
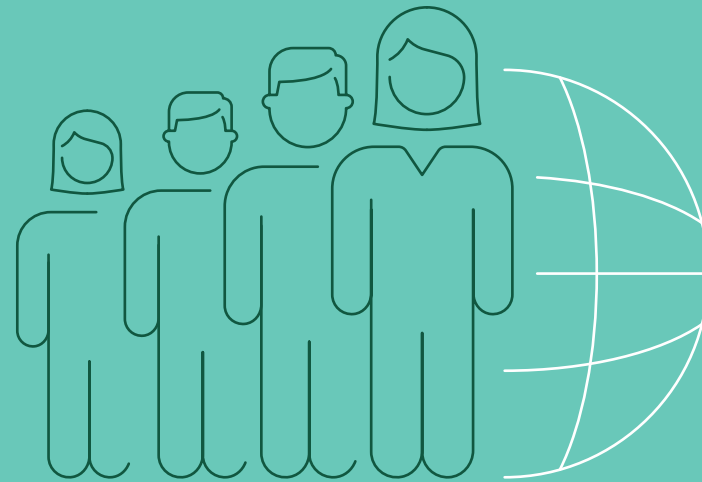
11 Monitoring Service
Providers

12 Review of and Adherence
to Policies

13 Addressing
Conflicts of Interest

14 Appendices

09 Aligning with Clients



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.

Of 2,275 sales meetings in the U.K., Netherlands, Middle East and Nordics

close to 30%
included discussions about ESG and responsible investing

The stewardship team solicits client views from sales and relationship management teams, leveraging their consistent contact with clients. For example, of 2,275 sales meetings with clients or prospects in the U.K., Netherlands, Middle East and Nordics in 2021, close to 30% included discussions about ESG and responsible investing capabilities.

We also monitor client concerns raised in requests for proposal and due diligence questionnaires, seeking to identify trends. As a result of this, we initiated a project with our internal reporting teams and external service providers, ISS and EOS, to align our reporting parameters with the requirements laid out by the Pensions and Lifetime Savings Association and Investment Consultants Sustainability Working Group.

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

Most of our clients, which predominantly are in North America, are institutions with long-term investment horizons, so we generally take a long-term approach to investing. However, through our robust range of investment strategies and expertise across asset classes, we can serve clients with shorter investment horizons.

Developing and Enhancing Sustainable Investing Products

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

Key to this process is our Sustainable Investment Council's regular review and confirmation of the ESG screening methodologies used in our pooled vehicles. Should our team contemplate a potential change to the methodology, its proactive engagement with clients currently invested in the strategy provides important insight that is essential to our evaluation. Should we ultimately decide to change the methodology, clients are duly notified.

Case Study

Helping a Client Hedge Systemic Climate Risk

THE CHALLENGE

For the third year in a row, our investment team identified climate risk as a key investment theme as regulators, companies and investors confront the transition to a green economy. A British mass media company was seeking a climate-aware solution to help hedge against the systematic risks of climate change within emerging markets.

WHAT WE DID

We developed an index strategy with a thoughtful approach to fossil fuel divestment and a tilt toward companies that provide solutions to support the transition to a low carbon economy.

THE OUTCOME

We launched the Emerging Markets Green Transition Strategy, which included the mass media company as an investor.

Similarly, in North America we developed a custom emerging markets active equity solution for a Canadian public pension plan that reduces exposure to key drivers of greenhouse gas emissions. Emerging markets have lagged developed markets in carbon reduction, particularly as it relates to reliance on thermal coal-fired energy production. Among the portfolio's sustainability objectives is an intentional divestment of thermal coal extraction and thermal coal-fired utilities.

Aligning Stewardship with Client Priorities and Values

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

We widened our engagement influence through collaborative organizations such as Climate Action 100+, an investor-led initiative, to influence the world's largest corporate greenhouse gas emitters to cut emissions. We also extended our engagement coverage by contracting with outside firm EOS to represent us in a wider range of discussions across industries.

Industry Engagement

During 2021, we were particularly active on behalf of our clients. Importantly, we submitted a comment letter in support of NASDAQ's new diversity rule, and subsequently participated in drafting a court brief supporting the rule in response to litigation against the rule.

We actively contribute to industry discussions that influence the pace and direction of regulation. In 2021, we contributed to discussions with other investors through the Investment Company Institute. Based on these discussions, the Institute commented on proxy voting rules proposed by the U.S. Securities and Exchange Commission, as well as ESG rules proposed by the U.S. Department of Labor. We have communicated our views to the U.K.'s Department for Work and Pensions and Occupational Pensions Stewardship Council regarding proxy voting information and "Expression of Wish." We have also responded to various regulators' surveys, including the Financial Conduct Authority's Asset Manager Net Zero Survey.

A list of industry organizations we actively participate in and support can be found in [Appendix 4](#).

Stewardship Client Reporting

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

Quarterly and/or annually, we publicly disclose:

A list of engagements with companies detailing ESG themes.

A geographical and sector breakdown of engagement.

Statistics on the progress of historic engagements by year.

Case studies of regional engagement and proxy voting.

This annual report on our stewardship activities, including company-specific case studies.

To enhance our reporting, we plan to add Pensions and Lifetime Savings Association and Investment Consultants Sustainability Working Group reporting templates to quarterly client reporting during 2022.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

06 Integrating Stewardship,
Investing and ESG

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

**10 Identifying and Navigating
Systemic Market Risks**

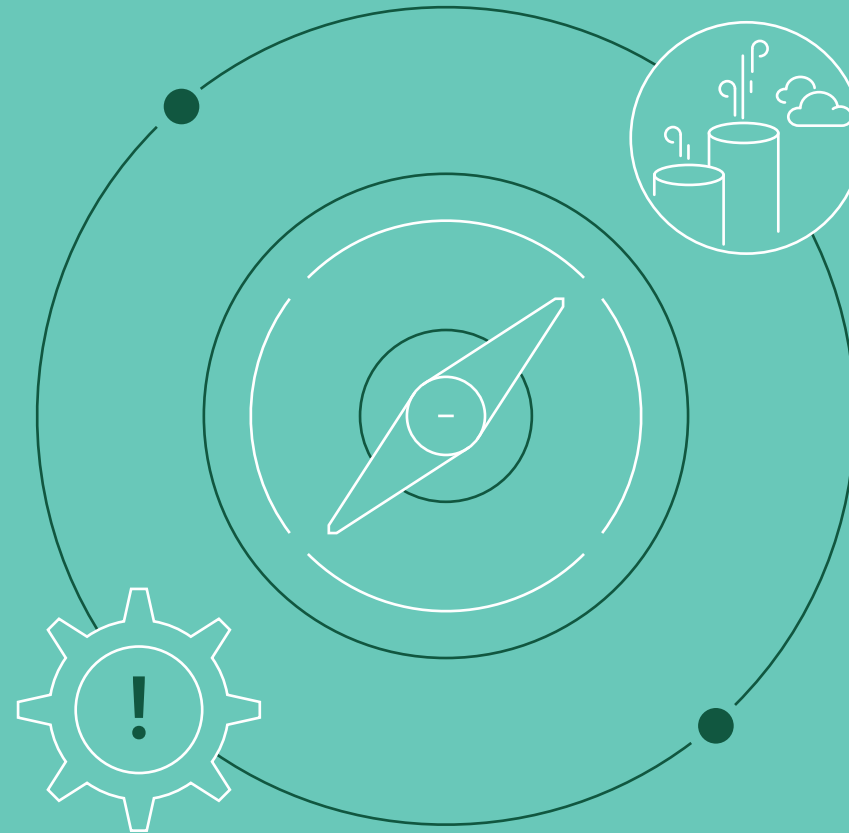
11 Monitoring Service
Providers

12 Review of and Adherence
to Policies

13 Addressing
Conflicts of Interest

14 Appendices

10 Identifying and Navigating Systemic Market Risks



COVID-19: A Market Threat

Systemic risks threaten to destabilize increasingly interconnected financial markets, whether arising from the globally linked banking system, the widening impact of climate change or the rapid spread of disease. We take our responsibility to identify and navigate these risks seriously, as doing so successfully enhances our ability to help preserve investors' capital and, ultimately, enable them to achieve their long-term financial objectives.

Even after markets recovered from the initial fallout in 2020, COVID-19 variants in 2021 triggered more economic shutdowns globally, increasing market risk.

During the COVID-19 pandemic, the Northern Trust Corporation has remained focused on the health and well-being of its workforce, meeting its clients' needs and supporting its communities. As the prolonged public health crisis unfolded, Northern Trust responded by providing additional health and well-being resources to employees, including expanded virtual access to health care and well-being programs and diversity, equity, and inclusion resources. The company provided a well-being learning center with tools for working effectively in a virtual environment. Virtual focus groups allowed employees to provide feedback and build connections with colleagues. The company also provided additional paid time off for a COVID-19 diagnosis and supported all employees electing to receive the COVID-19 vaccine with additional paid time off to obtain and recover from the primary series vaccine or booster shot.

To manage our investments effectively and communicate to investors through the continuation of the pandemic in 2021, our investment team analyzed the financial and economic impact of the virus and published those views on our website. As part of our investment process, our investment team met regularly to debate growing risks and opportunities in the market, and on a monthly basis considered tactical adjustments to our global policy model that guides asset allocation for our multi-asset products.

To better inform these views on the market, our investment professionals solicited perspectives on emerging financial market risks from the sustainable investment and stewardship team. They also sought input from clients and companies in which we invest. Perspectives from outside our organization helped us monitor emerging themes more holistically to better assess what they meant for our business and investment positioning.

How Our Capital Market Assumptions Process Identified Market Risks

Every year, our [Capital Market Assumptions](#) (CMA) group develops long-term investment themes that take into account, among other factors, systemic market risks.

To address climate change, we encourage companies to transition to

“greener” ways

of doing business, by reducing their reliance on fossil fuels.

These themes, published on our CMA website, drive our long-term return expectations. We use these forward-looking investment themes and return forecasts, combined with our research on historic asset class volatility and correlations, to build our strategic asset allocation that sets the foundation for positioning our multi-asset portfolio products.

Through the CMA process in 2021, we identified investors’ concerns about the long-term sustainability of today’s form of “winner-take-all” capitalism (including its ability to outpace a more state-driven economic approach) as a growing risk. The pandemic highlighted key global economic divisions as the ability to work remotely favored higher income workers. The economic reopening last year led some companies to pay more in wages to attract workers because of staffing shortages, which caused

widespread economic disruption and inflation. We expect that companies and investors will face these kinds of challenges — and the risk of lower profits — while the capitalist system evolves to better suit all stakeholders.

For the third straight year including 2021, we also identified climate change as an investment risk. Scientists have connected increasing human reliance on fossil fuels over the past 100 years with higher average global temperatures and more severe weather events including drought, wildfires and flooding. To address climate change, governments and investors are encouraging companies to transition to “greener” ways of doing business, in particular by reducing their reliance on fossil fuels. We recognize that the green transition heightens investment risk over the long term, as we expect that some companies will struggle to adjust.

How We Reduced Systemic Risk in Our Investments

Consistent with our view that investors should be compensated for the risks they take, we believe evaluating companies' performance using ESG criteria enhances our forward-looking view of risks and opportunities. This analysis bolsters our ability to future-proof portfolios and grow investors' capital.

In 2021, we took a significant step towards evaluating companies based on ESG criteria and addressing systemic risks. We introduced the ESG Vector Score, which advances our ability to assess publicly traded companies in the context of financially relevant ESG-related criteria that could impact their operating performance. This industry-first approach marries two leading sustainability reporting frameworks — the SASB Standards, which are industry-specific sustainability disclosure standards focused on financial materiality, and the thematic structure of the TCFD recommendations. It applies TCFD's anticipatory framework on governance, strategy and risk management — beyond simply climate — to all financially material ESG risks across the SASB Standards, resulting in a comprehensive risk assessment. Additionally, the ESG Vector Score places further emphasis on corporate governance because of the impact it can have on long-term value.

Further, we tackled the risk of growing social and economic inequality through how we voted for directors on the boards of some of the world's largest companies. From access to opportunities to talent development to

equitable compensation strategies, a company's policies set by its board can accelerate, or stall, its progress toward a more diverse, equitable and inclusive workforce.

To achieve this more equitable and inclusive workforce, we believe that the make-up of corporate boards should reflect a diversity of backgrounds, experience, expertise, age, race, gender, ethnicity and culture. Effective in 2021, our Proxy Committee raised our minimum diversity requirements, encouraging companies to further diversify their boards. Under this new approach we set a standard that all boards globally be at least 20% female and boards in the U.S. additionally have at least one ethnically/racially diverse director. If we found last year that the composition of a corporate board didn't reflect the diversity of the workforce and society, we withheld support from the chair of the nominating committee or the highest tenured director on the nominating committee. We applied this policy to director nominees at companies in Australia, Canada, New Zealand, the U.K. and the U.S. See our votes on shareholder proposals in [Appendix 2](#).

Collaboration to Moderate Climate Change Risk

Given the systemic nature of climate risk, we believe that the combined voice of investors who control trillions of dollars in assets will apply greater pressure to company management and boards than investors acting individually. In line with this belief, we are a founding member of the One Planet Initiative and a founding signatory of Climate Action 100+.

One Planet Initiative

The One Planet Initiative aims to advance the understanding of climate-related risks and opportunities and, through the sharing of investment practices, find ways to best integrate those risks and opportunities into the investment process for long-term portfolios. We actively engage with standard setters and regulators, asset owners and the broader investment management industry to accelerate the integration of climate change analysis into the management of large, long-term and diversified funds.

Climate Action 100+

Climate Action 100+, which represents \$68 trillion in assets of investment firms, engages with the largest publicly held corporate emitters of climate-damaging greenhouse gases. Investors encourage these companies to align their governance, business strategies, risk management and public reporting with best practices to manage the transition to a lower carbon world. Since co-founding the initiative, we have led three engagement campaigns and partnered on 12 more. When engaging with companies' boards on climate-related matters, Climate Action 100+ encourages companies to adopt climate-related reporting that aligns with the framework recommended by the TCFD, using metrics that meet SASB Standards.

More broadly, we participate in a range of industry initiatives that contribute to reducing systemic risks linked to sustainability. Notably, we are a member of the SASB's Investor Advisory Group, which promotes better disclosure. In turn, this fosters better information discovery and well-functioning markets.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

06 Integrating Stewardship,
Investing and ESG

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

**11 Monitoring Service
Providers**

12 Review of and Adherence
to Policies

13 Addressing
Conflicts of Interest

14 Appendices

11 Monitoring Service Providers



Monitoring Service Providers

We efficiently enhance our ability to serve our clients' needs by hiring services to augment our stewardship engagement and proxy voting. 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 use a variety of independent assurance tools to review compliance with our policies and instructions by our vendors. We use these assurance tools to oversee ISS, which provides recommendations to us on shareholder votes in accordance with our voting guidelines. ISS does not have discretion in making these recommendations. If our guidelines are not clear, ISS should consult with the Proxy Committee for clarification. The stewardship team performs weekly audits of ISS's votes to assess compliance with our guidelines.

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

Additionally, we review ISS's ability on an ongoing basis to identify and address real or potential conflicts of interests and determine whether those conflicts may have influenced its voting recommendations. We review annual shareholder meetings of companies in which ISS discloses it has a relationship, to ensure its voting recommendations at the meetings are in accordance with our guidelines.

In 2021, our assurance tests identified that ISS misunderstood or misinterpreted some of our guidelines, leading to incorrect recommendations. The volume was low and related generally to miscommunication about how to implement changes in our voting instructions to ISS. We caught these mistakes because when we revised our instructions with ISS, we increased our

scrutiny of its voting recommendations related to those updates, in accordance with our standard review process.

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

We also have appointed EOS to engage with companies according to our stewardship engagement policies and priorities. EOS performs these engagements on behalf of the majority of our pooled funds, some Asia-Pacific funds, and separately managed accounts. Our Sustainable Investment Council and the Product Governance Committee oversee EOS engagements on at least an annual basis. In our review of EOS in 2021, we noticed some personnel changes on the EOS account management team. However, we did not identify significant concerns and were satisfied with the results of EOS engagements.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

06 Integrating Stewardship,
Investing and ESG

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

10 Monitoring Service
Providers

**12 Review of and Adherence
to Policies**

13 Addressing
Conflicts of Interest

14 Appendices

12 Review of and Adherence to Policies



Review of Policies

Our Proxy Committee, with input from the Sustainable Investment Council, reviews our proxy voting and engagement policies annually to identify issues and concerns about how we oversee implementation of our stewardship objectives.

As part of the policy review, we consider additions, revisions and updates, including our approach to voting and engagement on emerging ESG issues. In 2020 (effective in 2021), we clarified our voting guidelines to require:

- **More consistent voting against directors** at companies where we see little or no progress in managing environmental or social risks.
- **More consistent voting on shareholder resolutions** that request the establishment of a new environmental or social corporate board committee.
- **More rigorous board diversity requirements.** At least 20% of the board should be female and in the U.S. there should be at least one ethnically/ racially diverse director.

While there were no significant policy changes in 2021, the stewardship team under new leadership will perform in 2022 a thorough review of policies, practices and processes.

Assurance: Checks and Balances

Our risk, compliance and legal teams, along with leadership of the stewardship team, oversee the stewardship team's adherence to our policies.

In addition, we deploy a variety of assurance tools, including a three-lines-of-defense model (management, compliance and internal audit).

Further, we engage an external auditor to issue a System and Organization Control Report (SOC 1), which includes an evaluation of our oversight of proxy voting on our behalf by our outside proxy voting service ISS. The auditor focuses on reviewing meetings where ISS may have a financial conflict of interest. The auditor also examines how the Proxy Committee has taken action on items that ISS is not authorized to implement, or which the Proxy Committee has made an exception to our proxy voting policies, procedures, and guidelines. We expect to extend this external independent assurance to engagement activities performed by our outside engagement partner EOS, depending on their maturity and suitability for audit, noting that a large proportion of engagement is inherently qualitative in nature.

Fair, Balanced and Understandable Reporting

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

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

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

Beyond these activities, our commitments encompass alignment and compliance with all relevant regulations and applicable market codes, including but not limited to the U.K. Stewardship Code (2012, 2020) and the U.K. Corporate Governance Code (2018); the revised EU Shareholder Rights Directive (2017); the Dutch Stewardship Code and other relevant EU member state codes; and the UN-supported Principles for Responsible Investment.

Ongoing Improvement

In 2021, we began a formal review of our engagement policy framework, focusing on ESG and proxy voting and engagement. Our risk/compliance teams have requested this, given the rapid growth of ESG regulations across multiple markets.

01 Foreword

02 A Year of Stewardship

03 Our Commitment
to Sustainability

04 About Us

05 Stewardship Governance
and Resources

06 Integrating Stewardship,
Investing and ESG

07 Our Approach
to Engagement

08 Purposeful Proxy Voting

09 Aligning with Clients

10 Identifying and Navigating
Systemic Market Risks

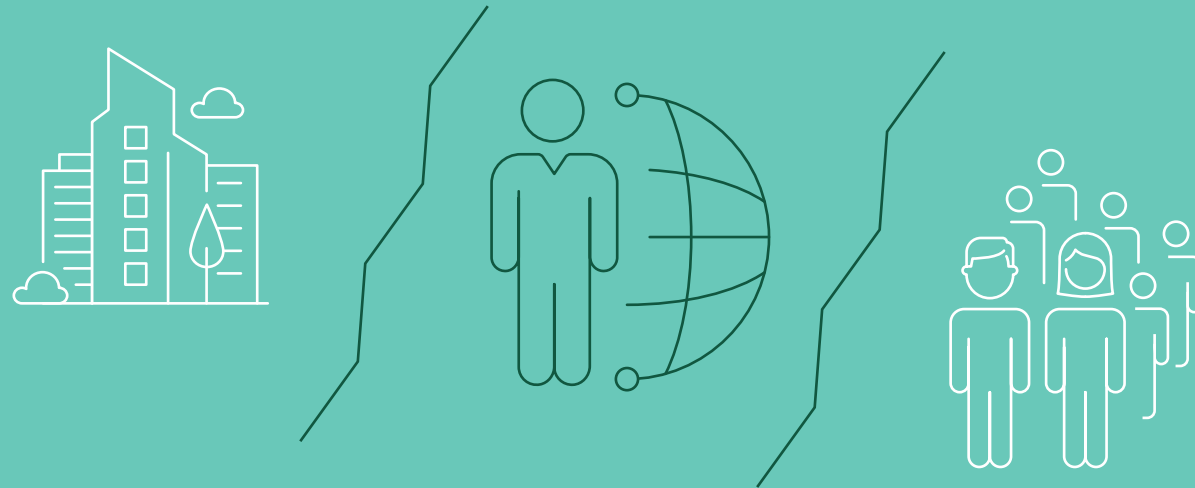
11 Monitoring Service
Providers

12 Review of and Adherence
to Policies

**13 Addressing
Conflicts of Interest**

14 Appendices

13 Addressing Conflicts of Interest



Addressing Conflicts of Interest

The best interests of our clients are paramount to NTAM. To ensure good outcomes, we have embedded, within various policies and established processes and organizational controls, appropriate steps for the identification, recording, monitoring and effective management of conflicts of interest.

Such conflicts of interest may arise when:

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

To help identify the types of conflict that may arise and whose existence may 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 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 the provision of 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, which is distinct 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, which exceeds the agreed commission or fee for that service.

Identification of Conflicts of Interest

NTAM has implemented 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. NTAM maintains a conflicts of interest register, where both inherent and event-driven conflicts are recorded.

Preventing Conflicts

NTAM will prevent a conflict of interest from occurring when it would be prohibited by applicable law or regulation; for example, the prohibition of an individual or firm being appointed to perform a particular role or regulated activity.

The 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 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 the Northern Trust group and NTAM.
- Establishment of information barriers and restrictions, relating to trading and client order data, and regarding material non-public information, including details of personal account dealing, the maintenance of restricted and insider lists, and market surveillance monitoring.
- Code of ethics requirements in respect of personal account dealing, outside business interests, gifts and entertainment, and inducements. Such includes disclosures, pre-approvals by compliance, minimum holding periods, record-keeping and reporting.
- Regular training for 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 reporting and reporting to senior management.
- Controls and governance around any third party, or intra-Northern Trust group, relationships that could give rise to conflicts of interest, including 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. Disclosure will also take place if specifically required by law or regulation.

We will disclose any conflict in a durable medium, in sufficient detail for the client or clients to make an informed decision before any services are provided.

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

NTAM partners may give or receive gifts and/or entertainment to and/or from third parties, which may influence their behaviors or induce them to act in an inappropriate or unethical manner to the detriment of clients. Northern Trust's Code of Ethics requires the recording of gifts and entertainment, given and/or received, and in some cases partners must obtain pre-approval from compliance. All gifts and entertainment to third parties must be an acceptable non-monetary benefit, and assessed to enhance the quality of service to clients, and not impair NTAM's ability to act in its clients' best interests. NTAM EMEA is permitted to accept a good or service where this 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 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 EMEA partners may undertake personal account dealing, which could cause a conflict between NTAM's partners and its clients, as it might encourage "front running" or the use of inside or confidential information for personal gain. Northern Trust's Code of Ethics requires staff to request pre-approval before buying or selling any covered security, and to declare any accounts that have the ability to hold such securities. Other controls include minimum holding periods and comprehensive reporting requirements.

Side-by-Side Management

NTAM EMEA may act as an investment manager to clients who 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 other clients to increase revenue. NTAM does not currently manage any funds with a performance fee and, as the majority of NTAM's mandates are passive in nature, there is limited incentive or opportunity within our current trading model for this to occur.

Trade Allocation

In accordance with our order execution policies, NTAM EMEA manages order allocations for client orders appropriately. Once executed, market executions are allocated 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 be tradeable, which would be regarded as uneconomic to the client, NTAM will adopt an alternative allocation process, while maintaining our best-execution requirements and acting in the best interests of the client. The alternative process involves traders having the discretion to assign a small allocation entirely to one or more accounts, or to exclude one or more accounts from receiving the allocation. Every time the trading desk does this, the compliance team is made aware so that it can monitor and provide independent oversight of fair allocation, conducting investigations and applying changes to processes where necessary.

Inside Information

The potential misuse of inside information is managed in juxtaposition with various other information control protocols to protect our clients' confidential information (this also includes pre-trade information). As part of these safeguards, NTAM has incorporated physical information barriers. These include front-office physical segregation and systems access segregation, which is periodically reviewed by managers. Additionally, there are insider/restricted list processes and all employees must adhere to Northern Trust's Code of Ethics. This code was implemented to put our clients' best interests first and incorporate stringent personal account dealing requirements, requiring employees to seek pre-clearance on covered securities (e.g. direct stocks, bonds, options).

Disclosure of Confidential Information

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

Outside Business Interests

NTAM partners, including directors or non-executive directors, may hold outside appointments which interfere with their job performance or judgment, or create conflicts with the best interests of clients. Partners across the Northern Trust group are required to seek prior approval for outside activities and, in certain circumstances, such positions will not be approved. The compliance team develops, implements and monitors the procedures of the Code of Ethics and internal controls are adhered to as standard adopted practices.

Third-party Research

NTAM EMEA purchases external research from third-party providers, some of whom 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; any third-party research used is paid for from its own resources.

Potential Conflicts Specific to Engagement and Proxy Voting

In most instances, potential conflicts are addressed by the utilization of third party services, ISS and EOS, which 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 applying its 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 companies where our staff have material holdings or personal relationships and connections. Conflicts may also occur if NTAM engages with or votes on companies that are direct competitors, or companies whose directors sit on a Northern Trust Corporation board.

With respect to engagement activity, we have appointed EOS to engage with companies according to our Global Engagement Policy. The Proxy Committee is enhancing its policy to improve the management of conflicts within our stewardship activities, including engagement, which will result in additional internal reporting and tracking 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](#). Additionally, we have developed various controls to identify and manage conflicts that may arise with respect to discretionary actions taken by the Proxy Committee or through our proxy advisor, ISS.

Should the Proxy Committee decide that it is unable to exercise independent judgment about a conflict, this is referred to in our policies and procedures as a “disabling conflict” while other conflicts are referred to as “non-disabling conflicts.” In the instance of a non-disabling conflict, the Proxy Committee may vote contrary to the proxy voting service’s recommendation, consistent with its duty of loyalty and care. Doing so requires a vote of at least 70% of the committee’s voting members, agreeing that voting contrary to the recommendation is in the client’s best interests. Such actions are reviewed by both legal and risk, and recorded in the committee minutes.

In the rare situation of such a conflict, the Proxy Committee may resolve the conflict in any of the following ways, which may vary, consistent with its duty of loyalty and care, depending upon the facts and circumstances of each situation and the requirements of applicable law:

- Following the vote recommendation of an independent fiduciary appointed for that purpose;
- Voting as the client directs;
- Abstaining; or
- Voting pursuant to a “mirror voting” arrangement (under which shares are voted in the same manner and proportion as some or all of the other shares not voted by the Proxy Committee).

The stewardship team uses watchlists and other alerts to help identify potential conflicts, which it then reports to the Proxy Committee, and legal and risk support teams, for guidance on how to process. 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 in execution of 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 instructions as to how ISS should vote in the instances of companies on these watchlists.

NTAM identified a small number of conflicts over the reporting period. The Proxy Committee, in consultation with our legal and risk groups, identified each as a non-disabling conflict and, per Section 5 of our Proxy Voting Policies, Procedures, and Guidelines, 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.

Case Study

Resolving a Conflict

From time to time, Northern Trust is in receipt of proxy ballots for various mutual funds for which NTAM serves as the funds' investment advisor, potentially giving rise to a number of conflicts.

THE CONFLICT OF INTEREST

In 2018, the Proxy Committee was presented with a plan of liquidation and dissolution for a fund that was prepared by 50 South Capital Advisors, LLC, which was the fund's investment adviser and also part of Northern Trust group. A potential conflict of interest was identified, especially as almost all of the fund's investors were Northern Trust Wealth Management clients.

WHY IT WAS A CONFLICT

Northern Trust's policy regarding conflicts of interest in proxy voting, contained in Section 5 of the Northern Trust Proxy Voting Policies and Procedures, states that "the potential for conflicts of interest in the voting of proxies generally arises only where the Proxy Committee is considering the possibility of voting in a manner contrary to a vote recommendation received from the Proxy Voting Service or where the Proxy Voting Service has not provided a vote recommendation." As ISS does not provide vote recommendations for private funds, the Proxy Committee had to decide: (a) if a conflict of interest existed and (b) whether such conflict was a "disabling conflict" or "non-disabling conflict."

After consulting with the NTAM legal department, the Proxy Committee determined that a conflict of interest existed, but it was not a "disabling conflict." In reaching this conclusion, the Proxy Committee considered the actions taken by the fund's board of trustees during a special meeting, and examined elements of the plan of liquidation and dissolution that might exacerbate the conflict. The Proxy Committee identified two such elements: liquidation expenses and investment management fees.

HOW WE RESOLVED IT

With respect to liquidation expenses, the board of trustees had requested that 50 South bear, or reimburse the fund for, all expenses connected with the liquidation. This expense-sharing arrangement did not materially benefit 50 South and, in fact, resulted in savings for the fund.

Turning to the investment management fees, after discussion with the board of trustees the plan of liquidation and dissolution was revised to state that all management fees would be waived after liquidation. Again, this resulted in savings for the fund. Recognizing that 50 South had begun redeeming certain underlying positions in preparation for liquidation, the board of trustees and 50 South further agreed to waive the management fee with regard to fund assets held in cash. As a result, 50 South did not stand to benefit materially from the fee arrangement detailed in the plan of liquidation and dissolution.

Continued >

Case Study

Resolving a Conflict continued

While neither the expense-sharing arrangement nor the waiver of management fee eliminated the conflict of interest between the Northern Trust affiliates, the Proxy Committee judged that the plan of liquidation and dissolution was reasonable, and the board of trustees had acted appropriately to protect the unitholders' best interests. Further, the reduced management fee meant that 50 South received no material benefit. The Proxy Committee concluded that the plan of liquidation and dissolution did not favor 50 South.

- 01 Foreword
- 02 A Year of Stewardship
- 03 Our Commitment to Sustainability
- 04 About Us
- 05 Stewardship Governance and Resources
- 06 Integrating Stewardship, Investing and ESG
- 07 Our Approach to Engagement
- 08 Purposeful Proxy Voting
- 09 Aligning with Clients
- 10 Identifying and Navigating Systemic Market Risks
- 11 Monitoring Service Providers
- 12 Review of and Adherence to Policies
- 13 Addressing Conflicts of Interest

14 Appendices

14 Appendices

APPENDIX 1

Votes Against Management by Topic ▶

APPENDIX 2

Votes on Shareholder Proposals ▶

APPENDIX 3

Northern Trust Asset Management Engagements by Company ▶

APPENDIX 4

Participation in Organizations ▶

APPENDIX 1

Votes Against Management by Topic (%)

	U.S.*	Developed markets ex-U.S.**	Emerging markets***
Management Proposals	9.7	7.6	11.5
Auditors	1.0	0.7	2.7
Auditor ratification, fix remuneration of auditors	1.0	0.7	2.7
Compensation	12.4	1.9	7.4
Management say on pay	4.4	1.7	16.9
Equity-based	24.7	2.0	3.6
Advisory vote on say on pay frequency	26.0	x	x
Other	27.2	2.0	8.4
Director-related	10.6	12.2	16.8
Uncontested director elections	10.6	12.1	24.0
Contested director elections	5.5	0	4.1
Other	0	35.6	12.7
Strategic Transactions	1.6	5.6	19.4
Mergers and acquisitions	0.4	8.0	31.2
Corporate transactions	7.7	6.3	22.1
Related-party transactions	100	4.5	11.6
Capitalization	11.8	9.2	10.9
Capital issuance/capital increase	11.0	13.4	24.2
Capital structure related	13.0	5.2	3.8
Debt related	x	0	7.4
Governance	10.8	4.3	7.6
Adjourn meetings	6.1	x	100
Routine business	46.8	2.7	3.0
Reduce supermajority vote requirement	0	x	x
Provide proxy access right	0	x	x
Other	8.5	5.7	14.4
Environment	0	5.6	100
Management climate-related proposals	0	5.6	100
Total	10.1	7.9	11.4

	U.S.*	Developed markets ex-U.S.**	Emerging markets***
Shareholder Proposals	39.6	26.7	8.9
Environment	67.6	23.8	x
Adopt or report on GHG emissions and emissions targets	66.7	0	x
Recycling	0	0	x
Report on climate change	77.8	73.7	x
Report on environmental impact or policies	66.7	80.0	x
Renewable energy and energy efficiency	x	0	x
Other environmental	100	2.2	x
Proposals requesting non-binding advisory vote on climate action plan	25.0	0	x
Social	62.3	11.1	16.2
Human capital management and EEO	50.0	x	x
Human rights and weapons related	88.9	x	x
Political campaign and lobbying and charitable contributions	90.0	50.0	x
Product safety and supply chain management	66.7	x	x
Other	26.3	6.3	16.2
Mandatory arbitration on employment related claims	100	x	x
Workplace sexual harassment	100	x	x
Governance	24.7	33.3	4.9
Provide or amend right to call special meeting	24.2	x	x
Provide or amend right to written consent	0	x	x
Adopt proxy access right	75.0	x	x
Amend proxy access right	23.1	x	x
Eliminate dual class	92.3	x	x
Reduce supermajority voting standard	92.9	x	x
Other	23.5	33.3	4.9
Total	10.1	7.9	11.4

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

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

Source: Northern Trust Asset Management

APPENDIX 2

Votes on Shareholder Proposals

ENVIRONMENT – CLIMATE

Company	Country	Type of shareholder proposal	Vote
Climate Disclosure			
AutoZone, Inc.	U.S.	Report on annual climate transition	For
Berkshire Hathaway Inc.	U.S.	Report on climate-related risks and opportunities	For
Bloomin' Brands, Inc.	U.S.	Report on climate change	For
Caterpillar Inc.	U.S.	Report on climate policy	For
Chevron Corporation	U.S.	Report on impacts of Net Zero 2050 scenario	For
DSV Panalpina A/S	Denmark	Reporting on climate-related financial risks and opportunities	For
Equinor ASA	Norway	Instruct company to report key information on both climate risk and nature risk	Against
Exxon Mobil Corporation	U.S.	Issue audited report on financial impacts of IEA's Net Zero 2050 scenario	For
Mitsubishi UFJ Financial Group, Inc.	Japan	Amend articles to disclose plan outlining company's business strategy to align investments with goals of Paris Agreement	Against
Skandinaviska Enskilda Banken AB	Sweden	The board of directors of the bank shall report back on how this has been implemented at the latest at the 2022 AGM and thereafter annually until it has been fully implemented	Against
Sumitomo Corp.	Japan	Amend articles to disclose plan outlining company's business strategy to align investments with goals of Paris Agreement	For
Swedbank AB	Sweden	Swedbank, before the AGM 2022, reports its exposure in loans to companies whose main activity is to extract fossil energy	For
T. Rowe Price Group, Inc.	U.S.	Report on and assess proxy voting policies in relation to climate change position	For
Toyo Seikan Group Holdings Ltd.	Japan	Amend articles to disclose plan outlining company's business strategy taking into account Task Force on Climate-related Financial Disclosures	Against

Company	Country	Type of shareholder proposal	Vote
Climate Lobbying			
BHP Group Plc	Dual Listed UK/AUS	Approve climate-related lobbying	For
The Boeing Company	U.S.	Report on lobbying payments and policy	For
Chevron Corporation	U.S.	Report on lobbying payments and policy	For
Delta Air Lines, Inc.	U.S.	Report on climate lobbying	For
Dominion Energy, Inc.	U.S.	Report on lobbying payments and policy	For
DTE Energy Company	U.S.	Report on political contributions	For
Duke Energy Corporation	U.S.	Report on political contributions and expenditures	For
Exxon Mobil Corporation	U.S.	Report on corporate climate lobbying aligned with Paris Agreement	For
Exxon Mobil Corporation	U.S.	Report on lobbying payments and policy	For
Exxon Mobil Corporation	U.S.	Report on political contributions	For
Norfolk Southern Corporation	U.S.	Report on corporate climate lobbying aligned with Paris Agreement	For
Phillips 66	U.S.	Report on climate lobbying	For
Rio Tinto Limited	Australia	Approve climate-related lobbying	For
Rockwool International A/S	Denmark	Disclose report on political contributions	For
Sempra Energy	U.S.	Report on corporate climate lobbying aligned with Paris Agreement	Against
United Airlines Holdings, Inc.	U.S.	Report on global warming-related lobbying activities	For
United Airlines Holdings, Inc.	U.S.	Report on political contributions and expenditures	For
United Parcel Service, Inc.	U.S.	Report on lobbying payments and policy	For

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

ENVIRONMENT – CLIMATE (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Climate Strategy			
Bank of Montreal	Canada	Issue a report describing a clear plan to make the greenhouse gas footprint of the company, including the portfolio on lending practices, carbon neutral	For
BHP Group Plc	Dual Listed UK/AUS	Approve capital protection	For
Booking Holdings Inc.	U.S.	Annual investor advisory vote on climate plan	Against
Booking Holdings Inc.	U.S.	Report on annual climate transition	Against
BP Plc	U.K.	Approve shareholder resolution on climate change targets	Against
Canadian Pacific Railway Limited	Canada	Hold an annual non-binding advisory vote on climate change	For
Charter Communications, Inc.	U.S.	Report on greenhouse gas emissions disclosure	Against
Chevron Corporation	U.S.	Reduce Scope 3 emissions	For
The Chugoku Electric Power Co., Inc.	Japan	Amend articles to establish special committee on green projects	Against
ConocoPhillips	U.S.	Emission reduction targets	For
Equinor ASA	Norway	Instruct board to present a strategy for real business transformation to sustainable energy production	Against
Equinor ASA	Norway	Instruct company that all exploration for new oil and gas discoveries is discontinued, that Equinor multiplies its green investments, improves its ESG profile and reduces its risk for future lawsuits	Against
Equinor ASA	Norway	Instruct company to set short, medium, and long-term targets for greenhouse gas (GHG) emissions of the company's operations and the use of energy products	For
Equinor ASA	Norway	Instruct company to spin-out Equinor's renewable energy business in wind and solar power to a separate company Newco	Against
Equinor ASA	Norway	Instruct company to stop all exploration activity and test drilling for fossil energy resources	Against
Equinor ASA	Norway	Instruct company to stop all oil and gas exploration in the Norwegian sector of the Barents Sea	Against
General Electric Company	U.S.	Report on meeting the criteria of the Net Zero indicator	For
Hennes & Mauritz AB	Sweden	Approve annual proxy vote and report on climate change policy and strategies	Against

Company	Country	Type of shareholder proposal	Vote
<i>Climate Strategy continued</i>			
Imperial Oil Limited	Canada	Adopt a corporate wide ambition to achieve Net Zero carbon emissions	For
The Kansai Electric Power Co., Inc.	Japan	Amend articles to add provisions concerning management based on CSR (withdrawal from coal-fired power generation business)	Against
The Kansai Electric Power Co., Inc.	Japan	Amend articles to encourage dispersed renewable energy	Against
The Kansai Electric Power Co., Inc.	Japan	Amend articles to promote decarbonization	Against
The Kansai Electric Power Co., Inc.	Japan	Amend articles to request the government to develop necessary legal system to stabilize electricity rate	Against
Kyushu Electric Power Co., Inc.	Japan	Amend articles to add provision on declaration concerning promotion of renewable energies	Against
Monster Beverage Corporation	U.S.	Annual vote and report on climate change	Against
Oil Search Ltd.	Papua New Guinea	Approve capital protection	For
Phillips 66	U.S.	Adopt GHG emissions reduction targets	For
QBE Insurance Group Limited	Australia	Approve exposure reduction targets	For
Rio Tinto Limited	Australia	Approve emissions targets	For
Royal Bank of Canada	Canada	Adopt company-wide, quantitative, time-bound greenhouse gas (GHG) emissions reduction targets and issue an annual report discussing the plans and progress of achieving such targets	Against
Royal Dutch Shell Plc	U.K.	Request Shell to set and publish targets for greenhouse gas (GHG) emissions	Against
Shikoku Electric Power Co., Inc.	Japan	Amend articles to reduce carbon dioxide emissions to half of fiscal 2020 levels by 2030 by leveraging renewable energy	Against
Skandinaviska Enskilda Banken AB	Sweden	By 2025, the bank will only finance those companies and projects that are in line with what science requires for the world to stay below 1.5 degree Celsius	Against
Skandinaviska Enskilda Banken AB	Sweden	The bank immediately shall work for the exclusion of fossil companies as borrowers in the bank	Against
Skandinaviska Enskilda Banken AB	Sweden	The bank shall exclude fossil fuels as investment objects	Against

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

ENVIRONMENT — CLIMATE (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Climate Strategy continued</i>			
Swedbank AB	Sweden	Swedbank adopts guidelines to immediately decline loans to companies whose main activity is to extract fossil fuels (excluding specific projects focused on activities other than fossil fuel extraction)	Against
Swedbank AB	Sweden	Swedbank adopts guidelines to immediately decline loans to projects aiming at extracting fossil fuels	Against
Sysco Corporation	U.S.	Report on GHG emissions reduction targets	For
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend articles to add provision on promotion of hydroelectric power generation	Against
Topdanmark A/S	Denmark	For Topdanmark to join the international investor coalition Net Zero asset owner alliance	Against
Union Pacific Corporation	U.S.	Annual vote and report on climate change	For
United Parcel Service, Inc.	U.S.	Report on climate change	For
Walmart Inc.	U.S.	Report on refrigerants released from operations	For
Worthington Industries, Inc.	U.S.	Report on climate policy	For

ENVIRONMENT — NATURAL RESOURCE MANAGEMENT

Company	Country	Type of shareholder proposal	Vote
Sustainable Food and Agriculture			
Seaboard Corporation	U.S.	Confirm compliance with California Proposition 12	For
The TJX Companies, Inc.	U.S.	Report on animal welfare	For
Water Scarcity, Use and Pollution			
Pilgrim's Pride Corporation	U.S.	Report on reduction of water pollution	For

Source: Northern Trust Asset Management

ENVIRONMENT — WASTE, RECYCLING AND BIODIVERSITY

Company	Country	Type of shareholder proposal	Vote
Biodiversity Impacts			
Amazon.com, Inc.	U.S.	Report on the impacts of plastic packaging	Against
Bunge Limited	Bermuda	Report on the soy supply chain	For
DuPont de Nemours, Inc.	U.S.	Report on plastic pollution	For
Equinor ASA	Norway	Instruct board to include nuclear in Equinor's portfolio	Against
The Kroger Co.	U.S.	Assess environmental impact of non-recyclable packaging	For
Rockwool International A/S	Denmark	Assess environmental and community impacts from siting of manufacturing facilities	For
Recycling Opportunities			
The Bank of Nova Scotia	Canada	Produce a report on loans made by the bank in support of the circular economy	Against
Canadian Imperial Bank of Commerce	Canada	Produce a report on loans made by the bank in support of the circular economy	Against
Laurentian Bank of Canada	Canada	Report the loans granted in the last few years in support of the circular economy	Against
Royal Bank of Canada	Canada	Produce a report on loans made by the bank in support of the circular economy	Against
The Toronto-Dominion Bank	Canada	Produce a report on loans made by the bank in support of the circular economy	Against

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — CONDUCT, CULTURE AND ETHICS

Company	Country	Type of shareholder proposal	Vote
Employee Engagement			
Alphabet Inc.	U.S.	Report on whistleblower policies and practices	For
Automatic Data Processing, Inc.	U.S.	Report on workforce engagement in governance	Against
Mitsubishi UFJ Financial Group, Inc.	Japan	Amend articles to establish helpline for whistle-blowers	Against
Integrity and Purpose			
Abbott Laboratories	U.S.	Report on lobbying payments and policy	For
AbbVie Inc.	U.S.	Report on lobbying payments and policy	For
AECOM	U.S.	Report on lobbying payments and policy	For
Alphabet Inc.	U.S.	Report on charitable contributions	Against
Alphabet Inc.	U.S.	Report on risks related to anticompetitive practices	For
Altria Group, Inc.	U.S.	Report on lobbying payments and policy	For
Amazon.com, Inc.	U.S.	Report on board oversight of risks related to anti-competitive practices	Against
Amazon.com, Inc.	U.S.	Report on lobbying payments and policy	For
Biogen Inc.	U.S.	Report on lobbying payments and policy	For
Carlsberg A/S	Denmark	Instruct board to complete an assessment of the ability of Carlsberg to publish corporate country-by-country tax reporting in line with the global reporting initiative's standard (GRI 207: tax 2019)	For
CarMax, Inc.	U.S.	Report on political contributions and expenditures	For
Charter Communications, Inc.	U.S.	Report on lobbying payments and policy	For
The Charles Schwab Corporation	U.S.	Report on lobbying payments and policy	For
Chemed Corporation	U.S.	Report on political contributions	For
Citigroup Inc.	U.S.	Report on lobbying payments and policy	Against
DaVita Inc.	U.S.	Report on political contributions	For
Eli Lilly and Company	U.S.	Report on lobbying payments and policy	For
Expedia Group, Inc.	U.S.	Report on political contributions and expenditures	For
FedEx Corporation	U.S.	Report on alignment between company values and electioneering contributions	For

Company	Country	Type of shareholder proposal	Vote
<i>Integrity and Purpose continued</i>			
FedEx Corporation	U.S.	Report on lobbying payments and policy	For
Flowers Foods, Inc.	U.S.	Report on political contributions	For
FLSmidth & Co. A/S	Denmark	Country-by-country tax reporting	For
Fox Corporation	U.S.	Report on lobbying payments and policy	For
The GEO Group, Inc.	U.S.	Report on lobbying payments and policy	For
GN Store Nord A/S	Denmark	Instruct board to complete an assessment of the ability of GN Store Nord to publish corporate country-by-country tax reporting in line with the global reporting initiative's standard (GRI 207: tax 2019)	For
The Goldman Sachs Group, Inc.	U.S.	Report on the impacts of using mandatory arbitration	For
The Home Depot, Inc.	U.S.	Report on political contributions congruency analysis	For
Johnson & Johnson	U.S.	Report on government financial support and access to COVID-19 vaccines and therapeutics	For
JPMorgan Chase & Co.	U.S.	Report on congruency political analysis and electioneering expenditures	Against
Loews Corporation	U.S.	Report on political contributions	For
Lyft, Inc.	U.S.	Report on lobbying payments and policy	For
MAXIMUS, Inc.	U.S.	Report on lobbying payments and policy	For
Merck & Co., Inc.	U.S.	Report on access to COVID-19 products	For
Microsoft Corporation	U.S.	Report on lobbying activities alignment with company policies	For
Netflix, Inc.	U.S.	Report on political contributions	For
NIKE, Inc.	U.S.	Report on political contributions disclosure	For
Omnicom Group Inc.	U.S.	Report on political contributions and expenditures	For
Oracle Corporation	U.S.	Report on political contributions	For
Pfizer Inc.	U.S.	Report on access to COVID-19 products	For
Pfizer Inc.	U.S.	Report on political contributions and expenditures	For
Royal Caribbean Cruises Ltd.	Liberia	Report on political contributions disclosure	For
Sunrun Inc.	U.S.	Report on the impact of the use of mandatory arbitration on employees and workplace culture	For

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — CONDUCT, CULTURE AND ETHICS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Integrity and Purpose continued</i>			
Tesla, Inc.	U.S.	Report on employee arbitration	For
Tyson Foods, Inc.	U.S.	Report on lobbying payments and policy	For
Uber Technologies, Inc.	U.S.	Report on lobbying payments and policy	For
Volvo AB	Sweden	Limit contributions to Chalmers University of Technology Foundation to a maximum of SEK 4 million per year	Against
Walmart Inc.	U.S.	Report on lobbying payments and policy	For
The Walt Disney Company	U.S.	Report on lobbying payments and policy	For
XPO Logistics, Inc.	U.S.	Report on lobbying payments and policy	For
Product Safety			
Altria Group, Inc.	U.S.	Report on underage tobacco prevention policies and marketing practices	For
The Coca-Cola Company	U.S.	Report on sugar and public health	For
McDonald's Corporation	U.S.	Report on antibiotics and public health costs	Against
McDonald's Corporation	U.S.	Report on sugar and public health	Against
PepsiCo, Inc.	U.S.	Report on external public health costs	For
PepsiCo, Inc.	U.S.	Report on sugar and public health	For
Walgreens Boots Alliance, Inc.	U.S.	Report on health risks of continued in-store tobacco sales in the age of COVID 2021	For

Source: Northern Trust Asset Management

SOCIAL — HUMAN CAPITAL MANAGEMENT

Company	Country	Type of shareholder proposal	Vote
Diversity, Equity and Inclusion			
Amazon.com, Inc.	U.S.	Oversee and report on a civil rights, equity, diversity and inclusion audit	Against
Amazon.com, Inc.	U.S.	Report on gender/racial pay gap	Against
American Express Company	U.S.	Publish annually a report assessing diversity, equity, and inclusion efforts	For
Berkshire Hathaway Inc.	U.S.	Publish annually a report assessing diversity and inclusion efforts	For
Biogen Inc.	U.S.	Report on gender pay gap	Against
Caterpillar Inc.	U.S.	Report on diversity and inclusion efforts	For
Charter Communications, Inc.	U.S.	Adopt policy to annually disclose EEO-1 data	For
Charter Communications, Inc.	U.S.	Publish annually a report assessing diversity, equity, and inclusion efforts	For
Chartwell Retirement Residences	Canada	UP 1: human capital disclosure	Against
The Chugoku Electric Power Co., Inc.	Japan	Amend articles to add provisions concerning promotion of females in the utility	Against
Cigna Corporation	U.S.	Report on gender pay gap	Against
DuPont de Nemours, Inc.	U.S.	Adopt policy to annually disclose EEO-1 data	For
FedEx Corporation	U.S.	Report on racism in corporate culture	Against
Intel Corporation	U.S.	Report on global median gender/racial pay gap	Against
Intel Corporation	U.S.	Report on whether written policies or unwritten norms reinforce racism in company culture	Against
International Business Machines Corporation	U.S.	Publish annually a report assessing diversity, equity, and inclusion efforts	For
Microsoft Corporation	U.S.	Report on gender/racial pay gap	Against
Microsoft Corporation	U.S.	Report on implementation of the fair chance business pledge	For
NIKE, Inc.	U.S.	Report on diversity and inclusion efforts	For
NIKE, Inc.	U.S.	Report on median gender/racial pay gap	Against
Oracle Corporation	U.S.	Report on racial equity audit	For
Paycom Software, Inc.	U.S.	Report on plans to improve diversity of executive leadership	For
PayPal Holdings, Inc.	U.S.	Report on whether written policies or unwritten norms reinforce racism in company culture	Against
Tesla, Inc.	U.S.	Report on diversity and inclusion efforts	For

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — HUMAN CAPITAL MANAGEMENT (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Diversity, Equity and Inclusion continued</i>			
Union Pacific Corporation	U.S.	Publish annually a report assessing diversity and inclusion efforts	For
Union Pacific Corporation	U.S.	Report on EEO	For
United Parcel Service, Inc.	U.S.	Publish annually a report assessing diversity and inclusion efforts	For
Walmart Inc.	U.S.	Report on alignment of racial justice goals and starting wages	For
Where Food Comes From, Inc.	U.S.	Report on gender, racial and ethnic diversity	For
Occupational Health and Safety			
Comcast Corporation	U.S.	Report on risks posed by the failing to prevent workplace sexual harassment	For
Microsoft Corporation	U.S.	Report on effectiveness of workplace sexual harassment policies	For
Walmart Inc.	U.S.	Approve creation of a pandemic workforce advisory council	For
Talent Management			
3M Company	U.S.	Consider pay disparity between executives and other employees	For
Amazon.com, Inc.	U.S.	Report on promotion data	For
Beijing Oriental Yuhong Waterproof Technology Co., Ltd.	China	Approve employee share purchase plan intent to raise funds through financing and securities lending	For
Burlington Stores, Inc.	U.S.	Report on pay disparity	For
Canadian National Railway Company	Canada	Institute a new safety-centered bonus system	Against
Chartwell Retirement Residences	Canada	Living wage	Against

Company	Country	Type of shareholder proposal	Vote
<i>Talent Management continued</i>			
China Molybdenum Co., Ltd.	China	Approve 2021 first phase of the employee share ownership plan of the company (draft) and its summary	For
China Molybdenum Co., Ltd.	China	Approve administrative measures for the 2021 first phase of the employee share ownership plan of the company	For
China Molybdenum Co., Ltd.	China	Authorize board to deal with all matters in relation to the 2021 first phase of the employee share ownership plan of the company	For
EVE Energy Co., Ltd.	China	Approve employee share purchase plan (draft) and summary	Against
GoerTek Inc.	China	Approve authorization of board to handle all related matters regarding employee share purchase plan	For
GoerTek Inc.	China	Approve employee share purchase plan (draft) and summary	For
GoerTek Inc.	China	Approve methods to assess the performance of plan participants regarding employee share purchase plan	For
Haier Smart Home Co., Ltd.	China	Approve a share core employee stock ownership plan (2021–2025) (draft) and its summary	For
Haier Smart Home Co., Ltd.	China	Approve a share core employee stock ownership plan (2021–2025) (draft) and its summary	For
Haier Smart Home Co., Ltd.	China	Authorize board to deal with all matters in relation to the core employee stock ownership plan of the company	For
Lepu Medical Technology (Beijing) Co., Ltd.	China	Approve employee share purchase plan	Against
Mondelez International, Inc.	U.S.	Consider pay disparity between executives and other employees	For
The TJX Companies, Inc.	U.S.	Report on pay disparity	For

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

SOCIAL — HUMAN RIGHTS

Company	Country	Type of shareholder proposal	Vote
Child Labor			
Exelon Corporation	U.S.	Report on child labor audit	For
Community Rights			
Abbott Laboratories	U.S.	Report on racial justice	Against
Alphabet Inc.	U.S.	Report on takedown requests	For
Amazon.com, Inc.	U.S.	Report on customers' use of its surveillance and computer vision products capabilities or cloud products contribute to human rights violations	Against
Amazon.com, Inc.	U.S.	Report on potential human rights impacts of customers' use of Rekognition	Against
Bank of America Corporation	U.S.	Request on racial equity audit	Against
Citigroup Inc.	U.S.	Report on racial equity audit	Against
Facebook, Inc.	U.S.	Report on online child sexual exploitation	For
Facebook, Inc.	U.S.	Report on platform misuse	For
The Goldman Sachs Group, Inc.	U.S.	Report on racial equity audit	Against
Johnson & Johnson	U.S.	Report on civil rights audit	Against
JPMorgan Chase & Co.	U.S.	Report on racial equity audit	Against
Lockheed Martin Corporation	U.S.	Report on human rights due diligence	For
Lundin Energy AB	Sweden	Instruct company to align its legal defense strategy with its human rights policy	Against
Microsoft Corporation	U.S.	Prohibit sales of facial recognition technology to all government entities	Against
NIKE, Inc.	U.S.	Report on human rights impact assessment	For
Northrop Grumman Corporation	U.S.	Report on human rights impact assessment	For

Company	Country	Type of shareholder proposal	Vote
<i>Community Rights continued</i>			
The PNC Financial Services Group, Inc.	U.S.	Report on risk management and nuclear weapon industry	For
Saab AB	Sweden	Stop all of Saab's deliveries of military technology and equipment to the belligerent parties in the war in Yemen	Against
Sanderson Farms, Inc.	U.S.	Report on human rights due diligence process	For
Smith & Wesson Brands, Inc.	U.S.	Adopt a comprehensive human rights policy	Against
State Street Corporation	U.S.	Report on racial equity audit	Against
Tesla, Inc.	U.S.	Additional reporting on human rights	For
TMX Group Limited	Canada	Report on policies and practices regarding indigenous community relations, recruitment and advancement of indigenous employees, internal education on indigenous reconciliation, and procurement from indigenous-owned businesses	For
Tyson Foods, Inc.	U.S.	Report on human rights due diligence	For
Wells Fargo & Company	U.S.	Report on racial equity audit	Against
Modern Slavery			
Dollarama Inc.	Canada	Production of an annual report on risks to human rights arising out of the use of third-party employment agencies	For
The Home Depot, Inc.	U.S.	Report on prison labor in the supply chain	For
Thomson Reuters Corporation	Canada	Produce a human rights risk report	For
The Wendy's Company	U.S.	Report on human rights risks in operations and supply chain	For

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — BOARD COMPOSITION AND EFFECTIVENESS

Company	Country	Type of shareholder proposal	Vote
Diversity			
Air China Limited	China	Amend articles of association	Against
Air China Limited	China	Amend rules and procedures regarding meetings of board of directors	Against
Alphabet Inc.	U.S.	Require independent director nominee with human and/or civil rights experience	Against
Amazon.com, Inc.	U.S.	Adopt a policy to include hourly employees as director candidates	Against
Badger Meter, Inc.	U.S.	Report on board diversity	For
The Bank of Nova Scotia	Canada	Set a diversity target of more than 40% of the board members for the next five years	Against
Citigroup Inc.	U.S.	Adopt a policy to include non-management employees as prospective director candidates	Against
The Clorox Company	U.S.	Adopt a policy to include non-management employees as prospective director candidates	Against
Constellation Brands, Inc.	U.S.	Adopt a policy on board diversity	Against
Danieli & C. Officine Meccaniche SpA	Italy	Approve internal auditors' remuneration	For
Edwards Lifesciences Corporation	U.S.	Adopt a policy to include non-management employees as prospective director candidates	Against
Facebook, Inc.	U.S.	Require independent director nominee with human and/or civil rights experience	Against
First Community Bankshares, Inc.	U.S.	Report on board diversity	For
First Solar, Inc.	U.S.	Report on board diversity	For
Juventus Football Club SpA	Italy	Approve internal auditors' remuneration	For
Powszechna Kasa Oszczednosci Bank Polski SA	Poland	Approve collective suitability assessment of supervisory board members	For
The Procter & Gamble Company	U.S.	Adopt a policy to include non-management employees as prospective director candidates	Against
Royal Bank of Canada	Canada	Adopt a diversity target higher than 40% for the composition of the board of directors for the next five years	Against
Starbucks Corporation	U.S.	Adopt a policy to include non-management employees as prospective director candidates	Against
Tianma Microelectronics Co., Ltd.	China	Amend articles of association	Against

Company	Country	Type of shareholder proposal	Vote
<i>Diversity continued</i>			
Tianma Microelectronics Co., Ltd.	China	Amend rules and procedures regarding meetings of board of directors	Against
The Toronto-Dominion Bank	Canada	Adopt a diversity target higher than 40% for the composition of the board of directors for the next five years	Against
Twitter, Inc.	U.S.	Require independent director nominee with human and/or civil rights experience	Against
The Walt Disney Company	U.S.	Adopt a policy to include non-management employees as prospective director candidates	Against
Woodward, Inc.	U.S.	Adopt a policy to include non-management employees as prospective director candidates	Against
Independence			
Abbott Laboratories	U.S.	Require independent board chair	Against
AbbVie Inc.	U.S.	Require independent board chair	Against
Amazon.com, Inc.	U.S.	Require independent board chair	Against
AmerisourceBergen Corporation	U.S.	Require independent board chairman	Against
Applied Materials, Inc.	U.S.	Require independent board chairman	Against
Baxter International Inc.	U.S.	Require independent board chair	Against
Bristol-Myers Squibb Company	U.S.	Require independent board chair	Against
Cardinal Health, Inc.	U.S.	Require independent board chair	Against
Charter Communications, Inc.	U.S.	Require independent board chair	Against
Chevron Corporation	U.S.	Require independent board chair	Against
Citigroup Inc.	U.S.	Require independent board chair	Against
Colgate-Palmolive Company	U.S.	Require independent board chair	Against
Dominion Energy, Inc.	U.S.	Require independent board chair	Against
Duke Energy Corporation	U.S.	Require independent board chair	Against
Eli Lilly and Company	U.S.	Require independent board chair	Against
Exxon Mobil Corporation	U.S.	Require independent board chair	For
Facebook, Inc.	U.S.	Require independent board chair	Against
FedEx Corporation	U.S.	Require independent board chair	Against

Source: Northern Trust Asset Management



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — BOARD COMPOSITION AND EFFECTIVENESS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Independence continued</i>			
General Electric Company	U.S.	Require independent board chair	Against
Gilead Sciences, Inc.	U.S.	Require independent board chair	Against
Greenhill & Co., Inc.	U.S.	Require independent board chairman	Against
Howmet Aerospace Inc.	U.S.	Require independent board chair	Against
International Business Machines Corporation	U.S.	Require independent board chair	Against
Johnson & Johnson	U.S.	Require independent board chair	Against
JPMorgan Chase & Co.	U.S.	Require independent board chair	Against
NortonLifeLock Inc.	U.S.	Require independent board chair	Against
Oracle Corporation	U.S.	Require independent board chair	Against
Pfizer Inc.	U.S.	Require independent board chair	Against
PPG Industries, Inc.	U.S.	Require independent board chair	Against
Prudential Financial, Inc.	U.S.	Require independent board chair	Against
Southern Copper Corporation	U.S.	Require independent board chair	Against
Square, Inc.	U.S.	Require independent board chair	Against
The Greenbrier Companies, Inc.	U.S.	Require independent board chair	Against
The Hain Celestial Group, Inc.	U.S.	Require independent board chair	Against
Valley National Bancorp	U.S.	Require independent board chair	Against
Walgreens Boots Alliance, Inc.	U.S.	Require independent board chair	Against
XPO Logistics, Inc.	U.S.	Require independent board chair	Against
Structure and Attentiveness			
2U, Inc.	U.S.	Declassify the board of directors	For
Admicom Oyj	Finland	Establish a nominating committee	For
Admicom Oyj	Finland	Fix number of directors at six	For
Aenza SAA	Peru	Fix number of directors at 9	Against
American Tower Corporation	U.S.	Establish a board committee on human rights	Against
Arnoldo Mondadori Editore SpA	Italy	Fix board terms for directors	For
Arnoldo Mondadori Editore SpA	Italy	Fix number of directors	For

Company	Country	Type of shareholder proposal	Vote
<i>Structure and Attentiveness continued</i>			
Banca Generali SpA	Italy	Fix number of directors	For
Banca Mediolanum SpA	Italy	Fix board terms for directors	For
Banca Mediolanum SpA	Italy	Fix number of directors	For
Betsson AB	Sweden	Amend instructions for nominating committee	Against
Betsson AB	Sweden	Determine number of members (6) and deputy members (0) of board	Against
Centene Corporation	U.S.	Declassify the board of directors	For
The Charles Schwab Corporation	U.S.	Declassify the board of directors	For
Danieli & C. Officine Meccaniche SpA	Italy	Fix number of directors	For
Datalogic SpA	Italy	Fix board terms for directors	For
Datalogic SpA	Italy	Fix number of directors	For
doValue SpA	Italy	Fix board terms for directors	For
doValue SpA	Italy	Fix number of directors	For
ERG SpA	Italy	Fix number of directors	For
FILA — Fabbrica Italiana Lapis ed Affini SpA	Italy	Fix board terms for directors	For
FILA — Fabbrica Italiana Lapis ed Affini SpA	Italy	Fix number of directors	For
Immobiliare Grande Distribuzione SpA	Italy	Fix board terms for directors	For
Immobiliare Grande Distribuzione SpA	Italy	Fix number of directors	For
Juventus Football Club SpA	Italy	Fix number of directors	For
The Kansai Electric Power Co., Inc.	Japan	Amend articles to establish evaluation committee on the appropriateness of board resolution process in the wake of inappropriate practices of accepting money and gifts	Against
The Kansai Electric Power Co., Inc.	Japan	Amend articles to reduce maximum board size and require majority outsider board	Against
Mediaset SpA	Italy	Fix board terms for directors	For
Mediaset SpA	Italy	Fix number of directors	For
PetMed Express, Inc.	U.S.	Establish mandatory retirement age for directors	Against

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — BOARD COMPOSITION AND EFFECTIVENESS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Structure and Attentiveness continued</i>			
PharmChem, Inc.	U.S.	Fix number of directors at three	Do Not Vote
Piaggio & C SpA	Italy	Fix board terms for directors	For
Piaggio & C SpA	Italy	Fix number of directors	For
Prada SpA	Italy	Fix number of directors and duration of their term	For
RussNeft PJSC	Russia	Fix number of directors at ten	Against
SAES Getters SpA	Italy	Fix number of directors	For
Salvatore Ferragamo SpA	Italy	Fix board terms for directors	For
Salvatore Ferragamo SpA	Italy	Fix number of directors	For
Saras SpA	Italy	Fix board terms for directors	For
Saras SpA	Italy	Fix number of directors	For
SeSa SpA	Italy	Fix number of directors	For
SVMK Inc.	U.S.	Declassify the board of directors	For
Technogym SpA	Italy	Fix board terms for directors	For
Technogym SpA	Italy	Fix number of directors	For
Teleflex Incorporated	U.S.	Declassify the board of directors	For
Tesla, Inc.	U.S.	Assign responsibility for strategic oversight of human capital management to an independent board-level committee	For
Tesla, Inc.	U.S.	Declassify the board of directors	For
Texas Pacific Land Corp.	U.S.	Declassify the board of directors	For
Tinexta SpA	Italy	Fix board terms for directors	For
Tinexta SpA	Italy	Fix number of directors at 11	For
Webuild SpA	Italy	Fix board terms for directors	For

GOVERNANCE — COMPENSATION

Company	Country	Type of shareholder proposal	Vote
Director Compensation			
Admicom Oyj	Finland	Approve remuneration of directors in the amount of EUR 1,000 per meeting	Against
Admicom Oyj	Finland	Approve remuneration of directors in the amount of EUR 1,000 per meeting; approve monthly remuneration of chairman in the amount of EUR 3,000 without the right to meeting fees	For
Arnoldo Mondadori Editore SpA	Italy	Approve remuneration of directors	For
Banca Generali SpA	Italy	Approve remuneration of directors	For
Banca Mediolanum SpA	Italy	Approve remuneration of directors	Against
Betsson AB	Sweden	Approve remuneration of directors	Against
Daishin Securities Co., Ltd.	South Korea	Approve total remuneration of inside directors and outside directors (shareholder proposal)	For
Danieli & C. Officine Meccaniche SpA	Italy	Approve remuneration of directors	For
Datalogic SpA	Italy	Approve remuneration of directors	For
doValue SpA	Italy	Approve remuneration of directors	For
ERG SpA	Italy	Approve remuneration of directors	For
FILA — Fabbrica Italiana Lapis ed Affini SpA	Italy	Approve remuneration of directors	For
Immobiliare Grande Distribuzione SpA	Italy	Approve remuneration of directors	For
Juventus Football Club SpA	Italy	Approve remuneration of directors	For
La Doria SpA	Italy	Approve remuneration of directors	For
Mediaset SpA	Italy	Approve remuneration of directors	For
Neste Corp.	Finland	Approve remuneration of directors in the amount of EUR 67,900 for chairman, EUR 49,600 for vice chairman, and EUR 35,700 for other directors; approve remuneration for committee work; approve meeting fees	For
Piaggio & C SpA	Italy	Approve remuneration of directors	For
S.N.G.N. Romgaz S.A	Romania	Approve remuneration of elected directors	Against
SAES Getters SpA	Italy	Approve remuneration of directors	For

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — COMPENSATION (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Director Compensation continued</i>			
Saipem SpA	Italy	Approve remuneration of directors	For
Salvatore Ferragamo SpA	Italy	Approve remuneration of directors	For
Saras SpA	Italy	Approve remuneration of directors	For
SeSa SpA	Italy	Approve remuneration of directors	For
Shanghai Bailian Group Co., Ltd.	China	Approve allowance of independent directors	For
SOL SpA	Italy	Approve remuneration of directors	For
Technogym SpA	Italy	Approve remuneration of directors	Against
Tinexta SpA	Italy	Approve remuneration of directors	For
Webuild SpA	Italy	Approve remuneration of directors	For
Disclosure			
Eli Lilly and Company	U.S.	Clawback disclosure of recoupment activity from senior officers	Against
Hokkaido Electric Power Co., Inc.	Japan	Amend articles to require individual compensation disclosure for directors, statutory auditors and advisors	For
Hokuriku Electric Power Co.	Japan	Amend articles to require individual compensation disclosure for directors, statutory auditors, and senior advisors	For
HSBC Holdings Plc	U.K.	Find an equitable solution to the unfair, discriminatory but legal practice of enforcing clawback on members of the post 1974 midland section defined benefit scheme	Against
The Kansai Electric Power Co., Inc.	Japan	Amend articles to require individual compensation disclosure for directors and executive officers	For
The Kansai Electric Power Co., Inc.	Japan	Amend articles to require individual compensation disclosure for directors, including those who retire during tenure	For
The Kansai Electric Power Co., Inc.	Japan	Amend articles to require individual compensation disclosure for executive officers, including those who retire during tenure	For
The Kansai Electric Power Co., Inc.	Japan	Amend articles to require individual disclosure of compensation received after directors and executive officers' retirement	For

Company	Country	Type of shareholder proposal	Vote
<i>Disclosure continued</i>			
Stericycle, Inc.	U.S.	Amend compensation clawback policy	Against
Tokyo Electric Power Co. Holdings, Inc.	Japan	Amend articles to require individual compensation disclosure for directors and executive officers	For
U.S. Silica Holdings, Inc.	U.S.	Increase disclosure of compensation adjustments	For
Verizon Communications Inc.	U.S.	Amend senior executive compensation clawback policy	Against
Wells Fargo & Company	U.S.	Report on incentive-based compensation and risks of material losses	Against
Yamaguchi Financial Group, Inc.	Japan	Amend articles to require individual compensation disclosure for directors	For
Pay for Performance Alignment			
Alphabet Inc.	U.S.	Assess feasibility of including sustainability as a performance measure for senior executive compensation	Against
Apple Inc.	U.S.	Improve principles of executive compensation program	Against
Applied Materials, Inc.	U.S.	Improve executive compensation program and policy	Against
Cummins Inc.	U.S.	Abolish professional services allowance	For
eBay Inc.	U.S.	Improve principles of executive compensation program	Against
Eli Lilly and Company	U.S.	Adopt policy on bonus banking	Against
General Motors Company	U.S.	Link executive pay to social criteria	Against
GoerTek Inc.	China	Approve draft and summary of stock option incentive plan	For
GoerTek Inc.	China	Approve methods to assess the performance of plan participants regarding stock option incentive plan	For
GRENKE AG	Germany	Reduction of the maximum remuneration of members of the board of directors	Against
HCA Healthcare, Inc.	U.S.	Assess feasibility of increasing the impact of the company's performance on quality metrics for senior executive compensation	Against
Hennes & Mauritz AB	Sweden	Disclose sustainability targets to be achieved in order for senior executives to be paid variable remuneration; report on the performance of senior executives on sustainability targets	Against

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — COMPENSATION (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Pay for Performance Alignment continued</i>			
Johnson & Johnson	U.S.	Adopt policy on bonus banking	For
Marathon Petroleum Corporation	U.S.	Limit accelerated vesting of equity awards upon a change in control	Against
Netflix, Inc.	U.S.	Improve the executive compensation philosophy	Against
NEUCA SA	Poland	Approve remuneration report	Against
New Hope Liuhe Co., Ltd.	China	Approve termination of draft of performance shares incentive plan	For
Pilgrim's Pride Corporation	U.S.	Report on integrating ESG metrics into executive compensation program	Against
Republic Services, Inc.	U.S.	Report on integrating ESG metrics into executive compensation program	Against
Tech-bank Food Co., Ltd.	China	Approve termination of performance share incentive plan	For
The Bank of Nova Scotia	Canada	SP 2: disclose the compensation ratio (equity ratio) used by the compensation committee	Against
Visa Inc.	U.S.	Amend principles of executive compensation program	Against
Wen's Foodstuff Group Co., Ltd.	China	Approve draft and summary of performance shares incentive plan	For
XPO Logistics, Inc.	U.S.	Limit accelerated vesting of equity awards upon a change in control	For

GOVERNANCE — SHAREHOLDER RIGHTS

Company	Country	Type of shareholder proposal	Vote
Majority Vote			
American Airlines Group Inc.	U.S.	Adopt simple majority vote	For
ANSYS, Inc.	U.S.	Adopt simple majority vote	For
Bloomin' Brands, Inc.	U.S.	Eliminate supermajority vote requirement	For
Bunge Limited	Bermuda	Adopt simple majority vote	For
Campbell Soup Company	U.S.	Adopt simple majority vote	For
Cerner Corporation	U.S.	Eliminate supermajority vote requirement	For
Cintas Corporation	U.S.	Eliminate supermajority vote requirement	For
Citrix Systems, Inc.	U.S.	Adopt simple majority vote	For
ConocoPhillips	U.S.	Adopt simple majority vote	For
CoStar Group, Inc.	U.S.	Eliminate supermajority vote requirement	For
Extreme Networks, Inc.	U.S.	Adopt simple majority vote	For
Ferro Corporation	U.S.	Adopt simple majority vote	For
HollyFrontier Corporation	U.S.	Adopt simple majority vote	For
Intercontinental Exchange, Inc.	U.S.	Adopt simple majority vote	For
Knight-Swift Transportation Holdings Inc.	U.S.	Reduce supermajority vote requirement	For
Netflix, Inc.	U.S.	Adopt simple majority vote	For
News Corporation	U.S.	Adopt simple majority vote	For
OGE Energy Corp.	U.S.	Adopt simple majority vote	For
PACCAR Inc	U.S.	Adopt simple majority vote	For
Skyworks Solutions, Inc.	U.S.	Adopt simple majority vote	For
Southwest Airlines Co.	U.S.	Adopt majority vote cast to remove directors with or without cause	Against
Zoetis Inc.	U.S.	Adopt simple majority vote	For

Source: Northern Trust Asset Management



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — SHAREHOLDER RIGHTS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
One Share One Vote			
Alphabet Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
AMC Networks Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Coca-Cola Consolidated, Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Facebook, Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Ford Motor Company	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Ingles Markets, Incorporated	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Lennar Corporation	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Monro, Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Red Rock Resorts, Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Square, Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Telephone and Data Systems, Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Tyson Foods, Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
United Parcel Service, Inc.	U.S.	Approve recapitalization plan for all stock to have one-vote per share	For
Poison Pill/Takeover Defenses			
Yorozu Corp.	Japan	Amend articles to authorize shareholder meeting to determine abolition of takeover defense plan (poison pill)	For

Company	Country	Type of shareholder proposal	Vote
Proxy Access			
Advance Auto Parts, Inc.	U.S.	Amend proxy access right	Against
The Allstate Corporation	U.S.	Amend proxy access right	Against
AMN Healthcare Services, Inc.	U.S.	Amend proxy access right	Against
Amphenol Corporation	U.S.	Amend proxy access right	Against
Apple Inc.	U.S.	Proxy access amendments	For
Archer-Daniels-Midland Company	U.S.	Amend proxy access right	For
Bank of America Corporation	U.S.	Amend proxy access right	Against
Cisco Systems, Inc.	U.S.	Amend proxy access right	Against
Citigroup Inc.	U.S.	Amend proxy access right	Against
CynergisTek, Inc.	U.S.	Shareholder nominee Daniel Berger	Against
Dominion Energy, Inc.	U.S.	Amend proxy access right	Against
Ecolab Inc.	U.S.	Amend proxy access right	For
Edison International	U.S.	Amend proxy access right	Against
FactSet Research Systems Inc.	U.S.	Adopt proxy access right	For
Impinj, Inc.	U.S.	Adopt proxy access right	Against
Invitae Corporation	U.S.	Amend proxy access right	Against
Laboratory Corporation of America Holdings	U.S.	Amend proxy access right	For
Lincoln National Corporation	U.S.	Amend proxy access right	Against
Lowe's Companies, Inc.	U.S.	Amend proxy access right	Against
NiSource Inc.	U.S.	Amend proxy access right	Against
Norfolk Southern Corporation	U.S.	Amend proxy access right	For
O'Reilly Automotive, Inc.	U.S.	Amend proxy access right	Against
Oshkosh Corporation	U.S.	Proxy access bylaw amendment	For
Pegasystems Inc.	U.S.	Adopt proxy access right	For
PT Aneka Tambang Tbk	Indonesia	Approve changes in the boards of the company	Against
PT Bukit Asam Tbk	Indonesia	Approve changes in the boards of the company	Against
PT Timah Tbk	Indonesia	Approve changes in the boards of the company	Against
Raytheon Technologies Corporation	U.S.	Amend proxy access right	Against

Source: Northern Trust Asset Management



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — SHAREHOLDER RIGHTS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Proxy Access continued</i>			
Sempra Energy	U.S.	Amend proxy access right	Against
Spirit AeroSystems Holdings, Inc.	U.S.	Amend proxy access right	Against
ViacomCBS Inc.	U.S.	Adopt proxy access right	For
Wells Fargo & Company	U.S.	Amend proxy access right	Against
Xylem Inc.	U.S.	Amend proxy access right	Against
Special Meeting Rights			
3D Systems Corporation	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Allegiant Travel Company	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Amazon.com, Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
American International Group, Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	For
American Tower Corporation	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
AutoNation, Inc.	U.S.	Provide right to call a special meeting	For
Becton, Dickinson and Company	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Bristol-Myers Squibb Company	U.S.	Reduce ownership threshold for special shareholder meetings to 10%	Against
CBRE Group, Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Chevron Corporation	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Colgate-Palmolive Company	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Danaher Corporation	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Dollar General Corporation	U.S.	Provide right to call a special meeting of the total of 10% of outstanding common stock	For
Exxon Mobil Corporation	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against

Company	Country	Type of shareholder proposal	Vote
<i>Special Meeting Rights continued</i>			
General Dynamics Corporation	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
The Goodyear Tire & Rubber Company	U.S.	Reduce ownership threshold for shareholders to call special meeting	For
The Interpublic Group of Companies, Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
ITT Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
JetBlue Airways Corporation	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Kaman Corporation	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Kellogg Company	U.S.	Provide right to call a special meeting	For
Lincoln National Corporation	U.S.	Amend special meeting right provisions	Against
PepsiCo, Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Southwestern Energy Company	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Stericycle, Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Stryker Corporation	U.S.	Provide right to call a special meeting	Against
Synopsys, Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	For
Thermo Fisher Scientific Inc.	U.S.	Provide right to call a special meeting	Against
The Timken Company	U.S.	Reduce ownership threshold for shareholders to call special meeting	For
UnitedHealth Group Incorporated	U.S.	Reduce ownership threshold for shareholders to call special meeting	Against
Veeva Systems Inc.	U.S.	Provide right to call a special meeting at a 15% ownership threshold	For
Zynga Inc.	U.S.	Reduce ownership threshold for shareholders to call special meeting	For

Source: Northern Trust Asset Management



APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — SHAREHOLDER RIGHTS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
Virtual Meeting			
Campbell Soup Company	U.S.	Allow shareholder meetings to be held in virtual format	Against
Cracker Barrel Old Country Store, Inc.	U.S.	Allow shareholder meetings to be held in virtual-only format	Against
Deutsche Telekom AG	Germany	Amend articles re: shareholders' right to participation during the virtual meeting	For
Mediaset Espana Comunicacion SA	Spain	Amend articles re: allow shareholder meetings to be held in virtual-only format	For
Siemens AG	Germany	Amend articles re: allow shareholder questions during the virtual meeting	For
Written Consent			
Air Transport Services Group, Inc.	U.S.	Provide right to act by written consent	Against
Alcoa Corporation	U.S.	Provide right to act by written consent	Against
American Express Company	U.S.	Provide right to act by written consent	Against
AT&T Inc.	U.S.	Lower ownership threshold for action by written consent	Against
Bank of America Corporation	U.S.	Provide right to act by written consent	Against
The Bank of New York Mellon Corporation	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
Baxter International Inc.	U.S.	Provide right to act by written consent	Against
Best Buy Co., Inc.	U.S.	Provide right to act by written consent	Against
The Boeing Company	U.S.	Provide right to act by written consent	Against
Booking Holdings Inc.	U.S.	Provide right to act by written consent	Against
BorgWarner Inc.	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
Bristol-Myers Squibb Company	U.S.	Provide right to act by written consent	Against
Cadence Design Systems, Inc.	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
Caterpillar Inc.	U.S.	Provide right to act by written consent	Against
CF Industries Holdings, Inc.	U.S.	Provide right to act by written consent	Against
Chipotle Mexican Grill, Inc.	U.S.	Provide right to act by written consent	Against
Cigna Corporation	U.S.	Provide right to act by written consent	Against
Cognizant Technology Solutions Corporation	U.S.	Provide right to act by written consent	Against

Company	Country	Type of shareholder proposal	Vote
<i>Written Consent continued</i>			
Conagra Brands, Inc.	U.S.	Provide right to act by written consent	Against
Cowen Inc.	U.S.	Provide right to act by written consent	Against
CVS Health Corporation	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
Delta Air Lines, Inc.	U.S.	Provide right to act by written consent	Against
Dover Corporation	U.S.	Provide right to act by written consent	Against
Dow Inc.	U.S.	Provide right to act by written consent	Against
DuPont de Nemours, Inc.	U.S.	Provide right to act by written consent	Against
Eastman Chemical Company	U.S.	Provide right to act by written consent	Against
eBay Inc.	U.S.	Provide right to act by written consent	Against
Edwards Lifesciences Corporation	U.S.	Provide right to act by written consent	Against
Electronic Arts Inc.	U.S.	Provide right to act by written consent	Against
EMCOR Group, Inc.	U.S.	Provide right to act by written consent	Against
Equinix, Inc.	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
FLEETCOR Technologies, Inc.	U.S.	Provide right to act by written consent	Against
Fortive Corporation	U.S.	Provide right to act by written consent	Against
General Motors Company	U.S.	Provide right to act by written consent	Against
Global Payments Inc.	U.S.	Provide right to act by written consent	Against
The Goldman Sachs Group, Inc.	U.S.	Provide right to act by written consent	Against
HCA Healthcare, Inc.	U.S.	Provide right to act by written consent	Against
Honeywell International Inc.	U.S.	Provide right to act by written consent	Against
HP Inc.	U.S.	Provide right to act by written consent	Against
Huntsman Corporation	U.S.	Provide right to act by written consent	Against
Illinois Tool Works Inc.	U.S.	Provide right to act by written consent	Against
Intel Corporation	U.S.	Provide right to act by written consent	Against
International Business Machines Corporation	U.S.	Lower ownership threshold for action by written consent	Against
International Paper Company	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

GOVERNANCE — SHAREHOLDER RIGHTS (CONTINUED)

Company	Country	Type of shareholder proposal	Vote
<i>Written Consent continued</i>			
JPMorgan Chase & Co.	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
Kimberly-Clark Corporation	U.S.	Provide right to act by written consent	Against
Kohl's Corporation	U.S.	Provide right to act by written consent	Against
L Brands, Inc.	U.S.	Provide right to act by written consent	Against
Lockheed Martin Corporation	U.S.	Provide right to act by written consent	Against
McDonald's Corporation	U.S.	Provide right to act by written consent	Against
McKesson Corporation	U.S.	Provide right to act by written consent	Against
Merck & Co., Inc.	U.S.	Provide right to act by written consent	Against
The Mosaic Company	U.S.	Provide right to act by written consent	Against
Nasdaq, Inc.	U.S.	Provide right to act by written consent	Against
NetApp, Inc.	U.S.	Provide right to act by written consent	Against
New York Community Bancorp, Inc.	U.S.	Provide right to act by written consent	Against
Newell Brands Inc.	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
NextEra Energy, Inc.	U.S.	Provide right to act by written consent	Against
Northrop Grumman Corporation	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
Nuance Communications, Inc.	U.S.	Provide right to act by written consent	Against

Company	Country	Type of shareholder proposal	Vote
<i>Written Consent continued</i>			
PayPal Holdings, Inc.	U.S.	Provide right to act by written consent	Against
Quest Diagnostics Incorporated	U.S.	Provide right to act by written consent	Against
Resideo Technologies, Inc.	U.S.	Provide right to act by written consent	Against
Ryder System, Inc.	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
Southwest Airlines Co.	U.S.	Provide right to act by written consent	Against
Texas Instruments Incorporated	U.S.	Provide right to act by written consent	Against
Textron Inc.	U.S.	Provide right to act by written consent	Against
United Rentals, Inc.	U.S.	Reduce ownership threshold for shareholders to request action by written consent	Against
VeriSign, Inc.	U.S.	Provide right to act by written consent	Against
Verizon Communications Inc.	U.S.	Lower ownership threshold for action by written consent	Against
Visa Inc.	U.S.	Provide right to act by written consent	Against
The Western Union Company	U.S.	Provide right to act by written consent	Against
Xerox Holdings Corporation	U.S.	Provide right to act by written consent	Against
Director Term Limits			
Juventus Football Club SpA	Italy	Fix board terms for directors	For
SeSa SpA	Italy	Fix board terms for directors	For

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

RISK MANAGEMENT AND STRATEGY — BUSINESS STRATEGY

Company	Country	Type of shareholder proposal	Vote
Business Purpose and Mission			
3M Company	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
Alphabet Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
BlackRock, Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
Cascades Inc.	Canada	Approve shareholder proposal a-1 re: corporate purpose and commitment	Against
Caterpillar Inc.	U.S.	Amend certificate of incorporate to become public benefit corporation	Against
Chevron Corporation	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
Citigroup Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
Cogeco Inc.	Canada	Approve formal statement of the company's corporate purpose and commitment, and the board's mandate to monitor the deployment of the policies and initiatives for a new strategic direction	Against
Facebook, Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against

Company	Country	Type of shareholder proposal	Vote
<i>Business Purpose and Mission continued</i>			
The Goldman Sachs Group, Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
Laurentian Bank of Canada	Canada	Clarify the bank's purpose and commitment	Against
Royal Bank of Canada	Canada	Redefine the bank's purpose and undertakings	Against
S&P Global Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
Salesforce.com, Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
Tractor Supply Company	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
United Parcel Service, Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against
Walmart Inc.	U.S.	Review of statement on the purpose of a corporation	Against
Wells Fargo & Company	U.S.	Amend certificate of incorporation to become a Delaware public benefit corporation	Against
Yelp Inc.	U.S.	Amend certificate of incorporation to become a public benefit corporation	Against

Source: Northern Trust Asset Management

APPENDIX 2: VOTES ON SHAREHOLDER PROPOSALS

RISK MANAGEMENT AND STRATEGY — RISK MANAGEMENT

Company	Country	Type of shareholder proposal	Vote
Enterprise Risk Management			
Beijing Kingsoft Office Software, Inc.	China	Approve amendments to articles of association	For
Elekta AB	Sweden	Amend articles	Against
Equinor ASA	Norway	Instruct board to act to avoid big losses overseas, receive specific answers with regards to safety incidents and get the audits evaluation of improved quality assurance and internal control	Against
FedEx Corporation	U.S.	Submit severance agreement (change-in-control) to shareholder vote	For
Helixmith Co., Ltd.	South Korea	Amend articles of incorporation (shareholder proposal)	For
Hesteel Co., Ltd.	China	Approve additional business scope	For
Loblaw Companies Limited	Canada	Prepare and publish a report examining capital and risk management practices during the pandemic, in terms of balancing the interests of stakeholders and monitoring/assessing actions that could cause undue reputational risk	Against
Verizon Communications Inc.	U.S.	Submit severance agreement (change-in-control) to shareholder vote	For
Zhejiang Dahua Technology Co. Ltd.	China	Approve purchase of liability insurance for directors, supervisors and senior management members	For

Source: Northern Trust Asset Management

APPENDIX 3

Northern Trust Asset Management Engagements by Company

A – B

Company name	Country	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – environment, S – social G – governance	Campaign	UN Sustainable Development Goals linked to campaign objective	Milestone achieved in campaign
3i Group Plc	U.K.	Financials	Yes	1	Direct	G	Executive compensation	16	4
Abbott Laboratories	U.S.	Health care	Yes	1	Direct	S,G		3 5 8 10 16	
Activision Blizzard, Inc.	U.S.	Communication services	Yes	1	Direct	S,G		5 10 16	
The Allstate Corporation	U.S.	Financials	Yes	1	Direct	G		16	
Amazon.com, Inc.	U.S.	Consumer discretionary	Yes	1	Direct	S,G		8 16	
AmerisourceBergen Corp.	U.S.	Health care	Yes	1	Direct	G		16	
Anglo American Plc	U.K.	Materials		1	Collaborative	E	Climate change	12 13 16	1
Associated British Foods Plc	U.K.	Consumer staples		1	Direct	S	Modern slavery	8 10	3
AstraZeneca Plc	U.K.	Health care	Yes	1	Direct	G	Executive compensation	16	3
AT&T Inc.	U.S.	Communication services	Yes	1	Direct	G,R		16	
Athersys, Inc.	U.S.	Health care		1	Direct	R		16	
Aurinia Pharmaceuticals Inc.	Canada	Health care		1	Direct	G		16	
Bank of America Corporation	U.S.	Financials	Yes	1	Direct	S,G		5 10 16	
Barclays Plc	U.K.	Financials	Yes	1	Collaborative	E		12 13	
Bayer AG	Germany	Health care	Yes	2	Collaborative	E	Biodiversity	6 12 13 14 15	2
Bayerische Motoren Werke AG	Germany	Consumer discretionary	Yes	1	Direct	S	Modern slavery	8 10	4
BHP Billiton Plc	U.K.	Materials	Yes	3	Collaborative	E,S	Climate change	3 8 10 11 12 13	3
The Boeing Company	U.S.	Industrials	Yes	3	Collaborative, direct	E	Climate change	5 10 12 13 16	1
BP Plc	U.K.	Energy	Yes	2	Collaborative, direct	E	Climate change	12 13	1
Broadcom Inc.	U.S.	Information technology	Yes	1	Direct	G		5 10 16	
Burberry Group plc	U.K.	Consumer discretionary		1	Direct	G	Executive compensation	16	4
Carnival Plc	U.K.	Consumer discretionary	Yes	1	Direct	G	Executive compensation	16	3
Caterpillar Inc.	U.S.	Industrials	Yes	1	Direct	E		12 13 16	
CBRE Group, Inc.	U.S.	Real estate	Yes	1	Direct	R		16	

APPENDIX 3: Northern Trust Asset Management Engagements by Company

C – G

Company name	Country	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – environment, S – social G – governance	Campaign	UN Sustainable Development Goals linked to campaign objective	Milestone achieved in campaign
CenterPoint Energy, Inc.	U.S.	Utilities	Yes	1	Direct	E	Climate change	13	1
CEZ as	Czech Republic	Utilities		3	Collaborative	E	Climate change	12 13 16	2
CF Industries Holdings, Inc.	U.S.	Materials		1	Direct	E	Climate change	12 13	1
Cherry Hill Mortgage Investment Corporation	U.S.	Financials		1	Direct	G		16	
Chevron Corporation	U.S.	Energy	Yes	1	Direct	E		12 13 16	
Chocoladefabriken Lindt & Spruengli AG	Switzerland	Consumer staples		1	Direct	S	Modern slavery	8 10	1
Citigroup Inc.	U.S.	Financials	Yes	1	Direct	S,R		3 5 8 10 16	
Clarkson Plc	U.K.	Industrials		1	Direct	G	Executive compensation	16	3
Coles Group Limited	Australia	Consumer staples		1	Collaborative	E,S	Sustainable food and agriculture	8 10 12 13	3
Compass Group Plc	U.K.	Consumer discretionary	Yes	1	Direct	G	Executive compensation	16	3
CocoPhillips	U.S.	Energy	Yes	1	Direct	E,G		13 16	
Credit Suisse Group AG	Switzerland	Financials	Yes	1	Collaborative	E	Climate change	12 13	2
CSX Corporation	U.S.	Industrials	Yes	1	Direct	E,G		13 16	
CVS Health Corporation	U.S.	Health care	Yes	1	Direct	G		16	
Daimler AG	Germany	Industrials	Yes	2	Direct	S	Modern slavery	8 10	4
Diageo plc	U.K.	Consumer staples	Yes	1	Direct	G	Executive compensation	16	3
DowDuPont Inc.	U.S.	Materials	Yes	1	Direct	E		6 14	
DTE Energy Company	U.S.	Utilities	Yes	1	n/a	E,S		13 16	
Duke Energy Corporation	U.S.	Utilities	Yes	2	n/a	E	Climate change	12 13 16	1
E.ON SE	Germany	Utilities	Yes	1	n/a	E	Climate change	12 13	4
EDP-Energias de Portugal SA	Portugal	Utilities	Yes	1	Direct	E	Climate change	12 13	3
Enel SpA	Italy	Utilities	Yes	1	Direct	E	Climate change	12 13	4
Eni SpA	Italy	Energy	Yes	1	Direct	G		16	
Exxon Mobil Corporation	U.S.	Energy	Yes	1	Collaborative, direct	E,G,R		12 13 16	
Facebook, Inc.	U.S.	Communication services		2	Direct	S,G		8 10 11 16	
FirstEnergy Corp.	U.S.	Utilities	Yes	1	Direct	E,G		12 13 16	
Fortum Oyj	Finland	Utilities		1	Direct	E	Climate change	12 13	3
Gannett Co., Inc.	U.S.	Communication services	Yes	1	Direct	S,G,R		5 10 16	
Gazprom PJSC	Russia	Energy		1	Direct	E	Climate change	12 13	1
General Electric Company	U.S.	Industrials	Yes	1	n/a	E,G	Climate change	12 13 16	1

APPENDIX 3: Northern Trust Asset Management Engagements by Company

G–N

Company name	Country	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – environment, S – social G – governance	Campaign	UN Sustainable Development Goals linked to campaign objective	Milestone achieved in campaign
Glencore Plc	Switzerland	Materials	Yes	9	Collaborative, direct	E,G	Climate change	12 13 16	3
The Goldman Sachs Group, Inc.	U.S.	Financials	Yes	1	Direct	S		5 8 10 11	
Griffon Corp.	U.S.	Industrials	Yes	1	Direct	G		16	
Casi, Guichard-Perrachon SA	France	Consumer staples	Yes	1	Collaborative	E	Sustainable food and agriculture	13 15	3
Grupo Financiero Barte SAB de CV	Mexico	Financials		1	Collaborative	E,S		5 10 12 13	
Hikma Pharmaceuticals Plc	U.K.	Health care		1	Direct	G	Executive compensation	16	3
Hologic, Inc.	U.S.	Health care	Yes	1	Direct	G		16	
The Home Depot, Inc.	U.S.	Consumer discretionary	Yes	1	Direct	S,G		3 5 8 10 16	
Iberdrola SA	Spain	Utilities	Yes	1	Direct	E		12 13	
Illinois Tool Works Inc.	U.S.	Industrials	Yes	1	Direct	S,G		5 8 10 13 16	
Infineon Technologies AG	Germany	Information technology	Yes	1	Direct	S	Modern slavery	8 10	2
ING Groep NV	Netherlands	Financials	Yes	1	Collaborative	E	Climate change	12 13	3
J Sainsbury plc	U.K.	Consumer staples		1	Collaborative	E,S	Sustainable food and agriculture	8 10 12 13	3
JPMorgan Chase & Co.	U.S.	Financials	Yes	1	Direct	G		16	
Kraft Heinz Company	U.S.	Consumer staples	Yes	1	Direct	G		5 10 16	
The Kroger Co.	U.S.	Consumer staples	Yes	1	Direct	E		12 14 15	
Lloyds Banking Group Plc	U.K.	Financials	Yes	1	Direct	E,G		12 13 16	
Lockheed Martin Corporation	U.S.	Industrials	Yes	1	Direct	E		12 13 16	
Marks and Spencer Group plc	U.K.	Consumer staples		1	Collaborative	E	Sustainable food and agriculture	12 13 15	3
McDonald's Corporation	U.S.	Consumer discretionary	Yes	2	Direct	S		3 8 12	
Mediobanca SpA	Italy	Financials		2	Direct	G		16	
Meritage Homes Corp.	U.S.	Consumer discretionary	Yes	1	Direct	G		5 10 16	
Mitsui Fudosan Co., Ltd.	Japan	Real estate		1	Direct	E,S,G		5 10 13 16	
National Grid plc	U.K.	Utilities	Yes	12	Collaborative, direct	E,G,R	Climate change	12 13 16	3
Naturgy Energy Group SA	Spain	Utilities	Yes	1	Direct	E	Climate change	12 13	4
NatWest Group Plc	U.K.	Financials	Yes	1	Direct	G	Executive compensation	16	4
Next Plc	U.K.	Consumer discretionary		1	Direct	S	Modern slavery	8 10	4
NextGen Healthcare, Inc.	U.S.	Health care		1	Direct	G		16	
NIKE, Inc.	U.S.	Consumer discretionary	Yes	1	Direct	S,G		5 10 16	
Nokia Oyj	Finland	Information technology	Yes	1	Direct	S	Modern slavery	8 10	3



APPENDIX 3: Northern Trust Asset Management Engagements by Company

N – T

Company name	Country	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – environment, S – social G – governance	Campaign	UN Sustainable Development Goals linked to campaign objective	Milestone achieved in campaign
Northrop Grumman Corporation	U.S.	Industrials	Yes	2	Direct	E,S		8 10 11 12 13	
NVIDIA Corporation	U.S.	Information technology	Yes	1	Direct	R		16	
Occidental Petroleum Corporation	U.S.	Energy	Yes	1	Direct	E,G		5 10 12 13 16	
Oil Co. LUKOIL PJSC	Russia	Energy		2	Direct	E	Climate change	12 13	2
Origin Energy Ltd.	Australia	Energy		1	Collaborative	E	Climate change	12 13 16	1
PACCAR Inc	U.S.	Industrials	Yes	1	Direct	E,G		12 13 16	
PepsiCo, Inc.	U.S.	Consumer staples	Yes	1	Direct	S,G		8 10 11 16	
Pfizer Inc.	U.S.	Health care	Yes	1	Direct	S		8 16	
PGE Polska Grupa Energetyczna SA	Poland	Utilities		1	Collaborative	E	Climate change	12 13	3
Phillips 66	U.S.	Energy	Yes	1	Direct	E		12 13	
Raytheon Company	U.S.	Industrials	Yes	1	Direct	E	Climate change	12 13	1
Reckitt Benckiser Group Plc	U.K.	Consumer staples	Yes	1	Direct	G	Executive compensation	16	3
RELX Plc	U.K.	Industrials	Yes	1	Collaborative	G	Executive compensation	16	2
Rio Tinto Plc	U.K.	Materials	Yes	3	Collaborative	E,S,G	Climate change	8 10 11 12 13 16	1
Rosneft Oil Co.	Russia	Energy		2	Direct	E	Climate change	12 13	2
Royal Dutch Shell Plc	U.K.	Energy		8	Collaborative	E,S,G	Climate change; executive compensation	3 5 8 10 12 13 16	3
RPM International, Inc.	U.S.	Materials	Yes	1	Direct	E,G	Climate change	12 13 16	3
RWE AG	Germany	Utilities		1	Direct	E	Climate change	12 13	3
Schroders Plc	U.K.	Financials		1	Direct	G	Executive compensation	16	4
Sempra Energy	U.S.	Utilities	Yes	1	Direct	E,G		13 16	
Siemens AG	Germany	Industrials	Yes	1	Collaborative	R		16	
Sinopec Shanghai Petrochemical Company Limited	China	Materials		1	Direct	R		16	
Starbucks Corp.	U.S.	Consumer discretionary	Yes	1	Direct	G		5 10 16	
Tesco Plc	U.K.	Consumer staples	Yes	1	Collaborative	E	Sustainable food and agriculture	6 12 13 14 15	3
Textron Inc.	U.S.	Industrials	Yes	1	Direct	G		16	
The Bank of va Scotia	Canada	Financials	Yes	1	Collaborative	G		5 10 16	
Total SA	France	Energy	Yes	1	Direct	E,G		12 13 16	
Toyota Motor Corp.	Japan	Consumer discretionary	Yes	1	Collaborative	E,R		12 13 16	
TUI AG	Germany	Consumer discretionary		1	Direct	G	Executive compensation	16	2

APPENDIX 3: Northern Trust Asset Management Engagements by Company

T–Z

Company name	Country	GICS sector	Engaged on behalf of bondholders?	Number of engagements	Direct, collaborative, or both	Theme E – environment, S – social G – governance	Campaign	UN Sustainable Development Goals linked to campaign objective	Milestone achieved in campaign
United Technologies Corporation	U.S.	Industrials	Yes	1	Direct	E,S,G		5 10 12 13 16	
Valero Energy Corporation	U.S.	Energy	Yes	2	Collaborative, direct	E		12 13 16	
Volkswagen AG	Germany	Consumer discretionary	Yes	1	Direct	S	Modern slavery	8 10	3
Walmart Inc.	U.S.	Consumer staples	Yes	1	Direct	S		3 8 16	
The Walt Disney Company	U.S.	Communication services	Yes	1	Direct	S		8 16	
Wells Fargo & Company	U.S.	Financials	Yes	1	Direct	G,R		5 10 16	
The Wendy's Company	U.S.	Consumer discretionary		1	Direct	S	Human capital management	3 8 10 16	1
Weyerhaeuser Company	U.S.	Real estate	Yes	1	Direct	E		12 13	
WH Smith Plc	U.K.	Consumer discretionary		2	Direct	E,G	Executive compensation	6 12 13 14 15 16	3
Wm Morrison Supermarkets Plc	U.K.	Consumer staples		1	Collaborative	E	Sustainable food and agriculture	12 13 15	3
XPO Logistics, Inc.	U.S.	Industrials	Yes	1	Direct	E,G		5 10 13 16	

Source: Northern Trust Asset Management. See [UN Sustainable Development Goals website](#) for more information on the goals.

APPENDIX 4

Participation in Organizations

Organization	How We Participate
The Principles for Responsible Investing (PRI)	Signatory
One Planet Asset Managers Initiative	Founding signatory
Farm Animal Investment Risk & Return (FAIRR) Initiative	Signatory
Investor Stewardship Group (ISG)	Signatory
U.K. Women in Finance Charter	Signatory
Climate Action 100+ — Founding signatory	Founding signatory
Diversity Project UK and Diversity Project North America	Member, active in the advisory board and steering group
SASB Alliance	Member
SASB Investor Advisory Group (IAG)	Founding member, active in engagement and messaging working groups
Council of Institutional Investors (CII)	Member, active in the corporate governance advisory council
Defined Contribution Institutional Investment Association (DCIIA)	Member, on ESG sub-committee
Investment Company Institute (ICI)	Member, on Diversity Working Group
Institutional Investors Group on Climate Change (IIGCC)	Member
CEO Action for Diversity and Inclusion	Member
Responsible Investment Association Australasia	Member
Ceres	Member
Responsible Investment Association Canada	Member
Global Real Estate Sustainability Benchmark (GRESB)	Member
The United Nations Environmental Programme — Finance Initiative	Member
Women in Super Australia	Member
Irish Association of Investment Managers	Member, active in the ESG/SFDR Working Group

Organization	How We Participate
Investment Association	Member, on board of directors, active in the Sustainable & Responsible Investing Committee and the SFDR Working Forum
Task Force for Climate Related Disclosure (TCFD)	Supporter
Human Capital Management Coalition	Supporter
Carbon Disclosure Project (CDP)	Supporter
Association of Corporate Citizenship Professionals (ACCP)	Supporter
National Minority Supplier Development Council	Supporter
Chicago Minority Supplier Development Council	Supporter
Women's Business Development Center	Supporter
Chicago United	Supporter
Financial Services Roundtable for Supplier Diversity	Supporter
Disability: IN Chicagoland	Supporter
LGBT Chamber of Commerce of Illinois	Supporter
ALPFA	Supporter
Diversity Project	Supporter
Financial Services Pipeline Initiative	Supporter
National Association of Asian American Professionals	Supporter
Mayor's Office for People with Disabilities	Supporter
Hiring Our Heroes	Supporter
Hispanic Alliance for Career Enhancement	Supporter
NICSA Diversity Project North America	Supporter
Out Equal Workplace Advocates	Supporter
TrueBlue Initiative	Supporter
Association of ERGS & Councils	Supporter

How helpful was this report?



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.

Assurance: This report has received internal assurance from the Northern Trust Asset Management Sustainable Investment Council and Proxy Committee, bodies responsible for the governance of stewardship.

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All data is as of December 31, 2021 unless otherwise stated.

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