



NORTHERN
TRUST

9 Northern Trust
2017 **Corporate Social
Responsibility Report**



ACHIEVE GREATER

Corporate Social Responsibility

2019 STRATEGIC FOCUS

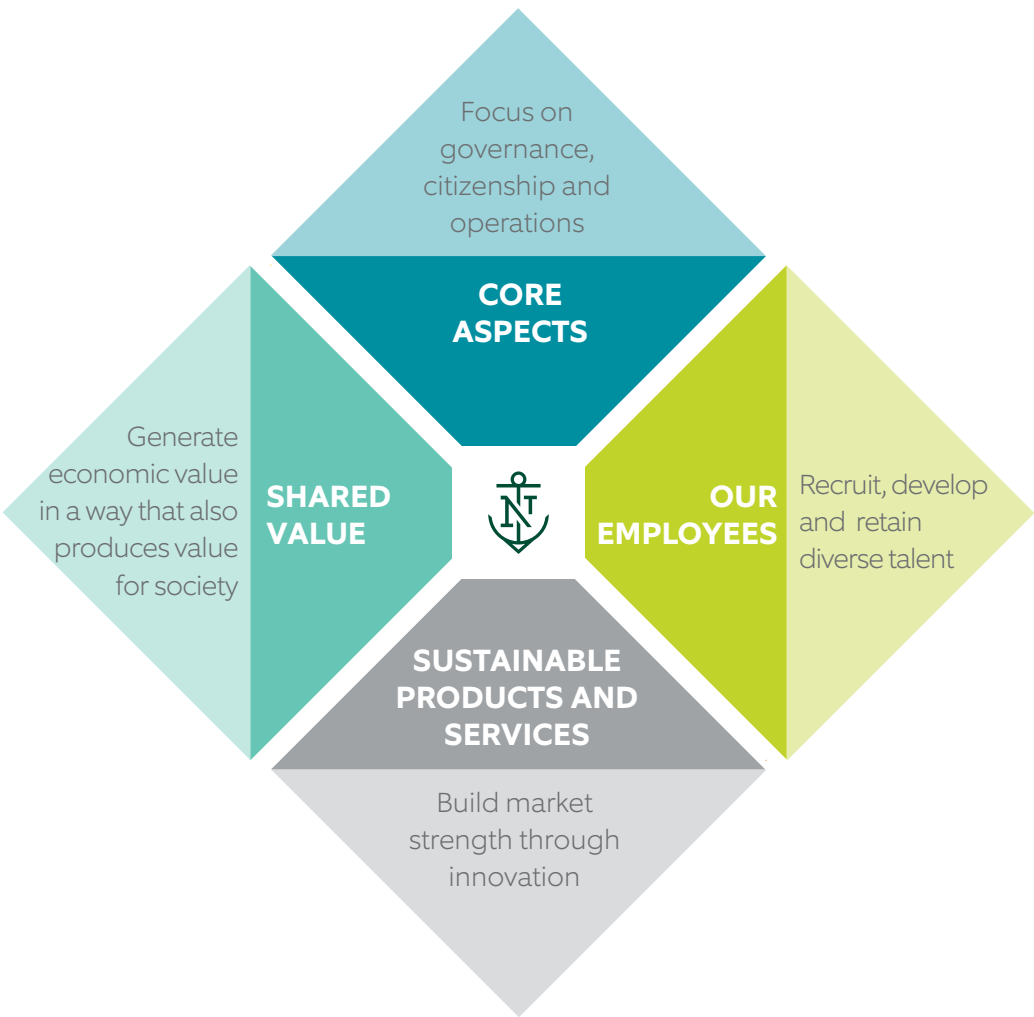


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MICHAEL G. O'GRADY**

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Letter from Connie L. Lindsey and Michael G. O'Grady

September 2020



CONNIE L. LINDSEY
Executive Vice President,
Head of Corporate
Social Responsibility
and Global Diversity,
Equity & Inclusion



MICHAEL G. O'GRADY
Chairman, President and
Chief Executive Officer

To Our Stakeholders,

We hope this message finds you in good health. Throughout this year's Corporate Social Responsibility (CSR) Report, you will find details of our progress in 2019 toward enhancing our Diversity, Equity and Inclusion (DE&I) strategy, reducing our greenhouse gas emissions (GHG), and launching client-focused Environmental, Social and Governance (ESG) tools and investment vehicles.

While this report covers 2019, we would also like to share with you details of our responses to the extraordinary events that transpired in the first half of 2020, from the ongoing global COVID-19 pandemic to the protests and calls for social justice around the globe. These events will have long-term effects on every aspect of society for many years to come, and they have given us an opportunity to emerge with greater awareness and a stronger sense of purpose.

As global understanding of the profound implications of the pandemic emerged in March 2020, we responded quickly to enact business continuity plans that minimized the impact on our employees and clients. We are operating resiliently and evaluating our return-to-office policies with a high standard of care as we take into account local and global conditions.

We also began acting immediately to provide support to our local communities in response to the pandemic. In April 2020, we announced our commitment of \$3 million in philanthropic support to nonprofit organizations that provide healthcare, food and other humanitarian relief around the world. In May 2020, we



Amid the challenges and uncertainty of 2020, we have transformed the ways we work with one another, our clients, and our communities—resourcefully, collaboratively and prudently.

announced that we were providing over \$100 million to support small businesses and non-profit groups through our investments in Community Development Financial Institutions (CDFIs) that deploy funding under the federal Paycheck Protection Program. And, in June 2020, Northern Trust announced it would provide an additional \$20 million over five years to expand access to resources that address essential human needs to bridge the gap that threatens the broader prosperity of our society.

In addition, in response to events leading to calls for social justice and racial equity, we examined our role as a global firm in driving sustainable and measurable change. Through internal virtual town hall meetings, small group discussions and individual conversations, we engaged in candid conversations about how we can fight structural and systemic bias globally. We are committed to strengthening training, accountability and talent development, while enriching our culture of inclusion. Amid the challenges and uncertainty of 2020, we have transformed the ways we work with one another, our clients, and our communities—resourcefully, collaboratively and prudently.

As we have met these challenges, we are particularly grateful to our employees for their unparalleled commitment to our clients and communities, as well as to one another. We thank our clients and other stakeholders for the confidence they continue to place in us. We remain deeply committed to ensuring alignment of our CSR strategy with our core values of service, expertise and integrity, which will guide us as we envision a better future for all.

We hope you enjoy reading our 2019 Corporate Social Responsibility Report.

Sincerely,

Connie L. Lindsey

Head of Corporate Social Responsibility and
Global Diversity, Equity & Inclusion

Michael G. O'Grady

Chairman, President and Chief Executive Officer

Basis for Report

Report for Content

This report has been created in response to interactions with key stakeholder groups. Each stakeholder group is expected to use this report to gauge Northern Trust's progress on achieving our goals pertaining to ESG matters.

Period, Scope and Boundary

This report is based on information obtained, created and compiled for the fiscal year ended December 31, 2019, unless otherwise stated. Our previous report was for the fiscal year ended December 31, 2018. The boundary of this report includes 100 percent of our leased and owned offices and 100 percent of our workforce in all global regions in which we operate. There were no significant changes to our operations in 2019. No joint ventures or other entities are included unless otherwise noted. There are no restatements from prior years and no significant changes in size, structure, supply chain or ownership from previous reporting periods.

Stakeholder Engagement

Northern Trust actively engages in dialogue with our stakeholders, including clients, employees, shareholders, communities, regulators, suppliers and peers. These stakeholder groups are determined based on our business strategy of serving corporations, institutions and individuals worldwide. Each stakeholder group informs our reputation, policies and best practices. We believe it is imperative to consult regularly with these groups through periodic in-person meetings, electronic communication, conferences and other platforms. Through these interactions, we receive suggestions and concerns related to our business practices.

Reporting Framework

This is our tenth year using the Global Reporting Initiative (GRI) framework. We are a member of the GRI Gold Community, and this is our fourth report using GRI Standards, the GRI's fifth generation of guidelines for sustainability reporting. This report has been prepared in accordance with the GRI Standards: Core option.

Material Aspects

The report and its index provide details on the material aspects and topics that reflect economic, environmental and social impacts relevant to our business. In 2019, we conducted a review of our materiality assessment. The results will be used to refresh our key performance indicators in 2020.

CORE ASPECTS—Governance, Ethics and Operations, Responsible Sourcing and Environmental Impacts


EMPLOYEES—Global Talent Management, Diversity, Equity & Inclusion

SHARED VALUE—Community Development, Global Philanthropy and Volunteerism

SUSTAINABLE PRODUCTS AND SERVICES—ESG Integration, Responsible Investment Products and Services

Questions related to this report can be sent to: CSRatNT@ntrs.com.

KEY PERFORMANCE INDICATORS: 2015 — 2020*

<p>100 PERCENT</p> <p>Increase our number of engagements with companies on related issues and opportunities</p>	<p>100 PERCENT</p> <p>Continue to evolve voting policies and practices to capture emergent ESG risks</p>	<p>100 PERCENT</p> <p>Formalize ESG investment philosophy</p>	<p>100 PERCENT</p> <p>Increase number of suppliers screened using environmental and social criteria</p>
<p>100 PERCENT</p> <p>Reduce carbon emissions by 25 percent by 2020</p>	<p>100 PERCENT</p> <p>Maintain outstanding Community Reinvestment Act rating</p>	<p>80 PERCENT</p> <p>Increase volunteer hours by 5 percent each year through 2020</p>	<p>100 PERCENT</p> <p>Remain in the top quartile of charitable giving amongst our peers</p>
<p>80 PERCENT</p> <p>Establish process to deliver on the goals in the CEO Action for Diversity & Inclusion pledge</p>	<p>100 PERCENT</p> <p>Update and communicate global DE&I goals</p>	<p>100 PERCENT</p> <p>As per the U.K. Women in Finance Charter, achieve a level of 35 percent women at the senior vice president role or above in our U.K. offices</p>	

* Percentages noted reflect the status of progress toward achievement of the targets established

Honors



Business Working Responsibly Mark Certification

Business in the Community Ireland, 2019



Best Private Bank for Family Offices

Financial Times Group, 2019
3rd Consecutive Year



Top-Scoring Company on the Disability Equality Index

American Association of People With Disabilities 2019
5th Consecutive Year



Best Private Bank for Succession Planning

Financial Times Group 2019



One of the "World's Most Admired Companies"

Fortune Magazine, 2019
13th Consecutive Year



One of the 100 Most Sustainable Companies in America

Barron's, 2019



FTSE4Good Global Index 2019

13th Consecutive Year



Dow Jones Sustainability North America Index 2019

9th Consecutive Year

Highlights

\$9.2 trillion

Assets Under Custody

\$1.2 trillion

Assets Under Management

14.9 percent

Return on Equity

(as of and for the year ended December 31, 2019)



Core Aspects

Governance

Connie L. Lindsey, Executive Vice President and Head of Corporate Social Responsibility and Global Diversity, Equity & Inclusion, is responsible for the design and execution of a comprehensive CSR strategy. Ms. Lindsey reports directly to Michael G. O’Grady, Chairman, President and Chief Executive Officer of Northern Trust Corporation (the “Corporation”). Ms. Lindsey also chairs the Executive CSR Council, a group of senior employees that enables the implementation of Northern Trust’s CSR strategy through the setting and tracking of goals related to material aspects of our CSR strategy, including sustainability initiatives. The Corporation’s Board of Directors provides general oversight of Northern Trust’s corporate citizenship and social responsibility matters of significance to the Corporation and its subsidiaries. The Board’s Corporate Governance Committee facilitates this oversight. The Board’s Business Risk Committee provides oversight of certain financial and operational risks associated with climate change and other environmental risk factors through its oversight of the Corporation’s global risk management framework and risk management policies.

Ethics

We expect all employees to uphold our core values, exercise the highest ethical judgment and comply with the laws and regulations that govern our business. We expect employees to treat all information appropriately based on its classification. Breaches of highly sensitive client or business information may result in disciplinary action. All employees are required to take the following five courses annually: “Anti-Money Laundering (AML) & Economic Sanctions,” “Anti-Bribery, Corruption and Fraud,” “Global Privacy and Data Protection,” “Information Security,” and “Standards of Conduct.” All employees are also required to certify their compliance with the Code of

Business Conduct and Ethics. All certifications and training courses were completed by 100 percent of employees in 2019. Additionally, we provided employees within the Asia-Pacific (APAC) and Europe, Middle East and Africa (EMEA) regions with expanded AML, conduct and privacy training in accordance with the regulatory characteristics of those respective regions.

Government Relations and Political Contributions

Northern Trust concentrates its public policy positions in areas most relevant to its businesses, including U.S. federal, state, municipal and European Union financial regulatory reform efforts. We work with the trade associations of which we are members, and meet directly with federal, state and municipal legislators, regulators and other government officials globally to discuss our positions and make recommendations for improved policy and regulation. At the U.S. federal level, we focus on proposed regulatory and policy changes that will affect our businesses through enhancing the safety of client assets, the safety and soundness of the financial system and the strength of the global economy. At the state and municipal levels, we regularly meet with elected and appointed officials to discuss public policy positions that will affect our businesses. In appropriate circumstances, we file comment letters to proposed federal regulations, copies of which are publicly available.

The Corporate Governance Committee of our Board of Directors provides oversight of the political, lobbying and other public advocacy activities of Northern Trust, including significant trade association memberships.

POLITICAL CONTRIBUTIONS BY EMPLOYEES

Northern Trust expects employees to seek guidance and pre-clear certain individual political contributions in accordance with the guidelines set forth in federal, state and municipal “pay-to-play” policies and procedures.

CORPORATE AND POLITICAL ACTION COMMITTEE POLITICAL CONTRIBUTIONS

Northern Trust contributes corporate funds to industry trade organizations in support of the company’s public policy objectives. Participation in these organizations is important to gaining industry insight, fostering relationships and developing professional opportunities within the industry. The principal trade associations to which we belong are the American Bankers Association, the Bank Policy Institute, the Investment Company Institute and the Securities Industry and Financial Markets Association. We also belong to the Illinois Bankers Association, the California Bankers Association and the Florida Bankers Association.

Northern Trust engages in the political process to advance and protect its long-term interests and does so at all times without regard to private political preferences of our executives. Northern Trust does not contribute directly to political parties, committees, or candidates for public office. However, we sponsor both a federal-only political action committee (PAC) and a multi-candidate PAC, both of which are permitted to solicit a restricted class of Northern Trust’s U.S. employees for contributions used to fund candidates who support legislation important to Northern Trust. All contributions to the PACs are voluntary; employees are neither favored nor disadvantaged based on their participation. The leadership of each PAC reviews proposed political contributions based on the public policy interests of Northern Trust. Our PAC contributions in 2019 totaled \$46,500. Federal lobbying reports may be found at: <https://www.northerntrust.com/united-states/about-us/corporate-social-responsibility/policy>.



Operations

Climate Change Strategy

We align our business with the fundamental principle of sustainability — meeting the needs of the present generation without compromising the abilities of future generations to meet their own needs.

Northern Trust recognizes that the long-term viability of our business and our clients is tied to the health and well-being of our planet. We therefore commit to protecting the environment and mitigating any negative environmental impacts from our operations.

We align our business with the fundamental principle of sustainability —meeting the needs of the present generation without compromising the abilities of future generations to meet their own needs. We do this by integrating environmental considerations into our company-wide processes, committing to continually improving our business practices and delivering tangible, positive results related to the environment. Northern Trust’s Workplace Services manages our real estate portfolio, procurement and facilities services with the objective of reducing the negative environmental impacts of our supply chain. We use energy to power our data centers and facilities, the majority of which are in North America. As a result, the bulk of our GHG emissions come from our North American operations. Since we began tracking our carbon footprint (comprised of the carbon dioxide equivalent of all GHGs produced from our operations) in 2006, we have improved our data collection processes and calculation methodologies to align with the GHG Protocol.

Working closely with our building managers, Northern Trust follows the environmentally friendly building strategies and practices outlined by the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) program, which has awarded our offices in North America and APAC one LEED platinum certification, six gold certifications, two silver certifications and one general certification. In addition, we use reliable and sophisticated tracking programs to monitor and manage our environmental performance and calculate our annual carbon footprint.

In 2019, each of our offices located in Ireland signed the Business in the Community Carbon Pledge, which committed all signatory companies to reducing their Scope 1 & 2 GHG emission intensity by 50 percent by 2030. The pledge is a commitment for Irish businesses to invest time and resources into creating a more sustainable operation by increasing energy efficiency while striving to achieve the global carbon reduction targets set in the Paris Agreement to maintain global temperatures at less than 2° Celsius above preindustrial levels. After completing a comprehensive emissions study in 2017 that formed our baseline, we set a goal to reduce our total Scope 1, Scope 2 (using the market-based approach) and Scope 3 carbon emissions by 25 percent per full-time employee (FTE) by 2020. As of December 31, 2019, we have reduced our carbon emissions by approximately 32.35 percent since 2015 and achieved 100 percent renewable electricity usage in our Harlow and Bank Street locations in the United Kingdom. We are currently working with the Science Based Targets Initiative to develop a framework for the science-based targets for financial institutions generally and to set our own science-based target. In the meantime, we are committed to continuing our efforts to reduce our GHG emissions.

Non-Governmental Organizations and Advocacy Groups

Collaborating with non-governmental organizations (NGOs) and advocacy groups allows us to maintain transparency and hold ourselves accountable to our environmental sustainability practices. Northern Trust and our surrounding communities benefit when we publicly report our environmental footprint—such as our GHG emissions, energy use and the risks and opportunities associated with climate change—under the supervision and guidelines of reputable third-party organizations. By joining communities of investors who hold the health of our planet in high regard, Northern Trust strives to effect positive change to our environment. The NGOs with which we collaborate include the U.S. Green Building Council, the Carbon Disclosure Project and the Institutional Investors Group on Climate Change.

The Sustainability Network

The Sustainability Network is Northern Trust’s global employee environmental engagement program aimed at increasing awareness of sustainability issues, promoting best practices and unifying environmentally focused business operations.

GLOBAL CARBON EMISSIONS

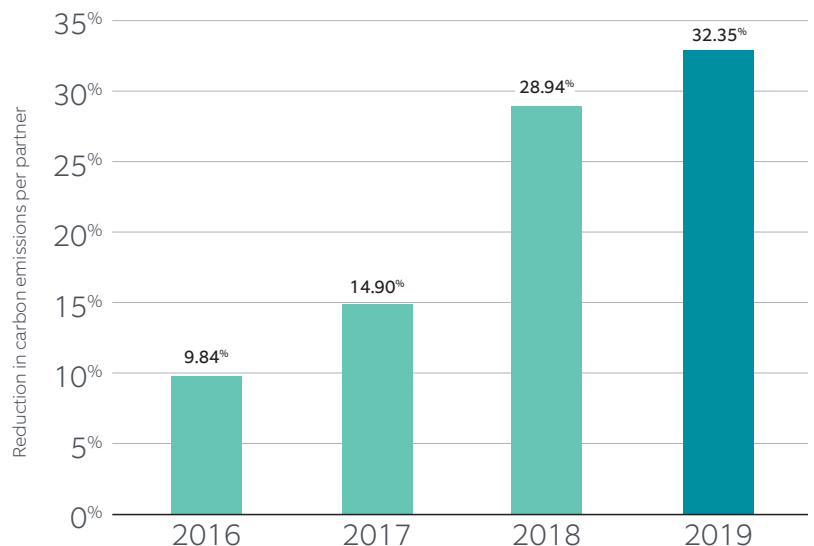
Change in carbon emissions vs 2015 baseline:

-32.35 percent

In December 31, 2019, carbon emissions per partner were 32.35 percent lower than the 2015 baseline.

This represents a 17.1 percent reduction in absolute carbon emissions since 2015.

Statement on Climate Change and Greenhouse Gas Emissions
<https://cdn.northerntrust.com/pws/nt/documents/about-us/ghg-statement.pdf>



Percentage reduction of global carbon emissions per partner (Metric Tonnes on CO₂e/FTE) vs 2015 baseline

We believe in the power of community-based actions to effect positive change for the good of our planet.

This program enables close collaboration among our building managers and employee volunteer “sustainability champions” in delivering consistent environmental messaging, gauging employee feedback and advocating for conservation and the protection of environmental resources. Through organizing environmentally focused volunteer opportunities and Earth Day celebrations, the Sustainability Network has been a key activator of behavioral change in Northern Trust’s culture. In 2019, the Sustainability Network continued to increase awareness of sustainability issues, promote best practices and unify environmentally focused business operations. In response to “sustainability champion” feedback, it has expanded beyond the workplace to focus on how employees can enhance sustainability in their day-to-day lives.

Local Communities

Northern Trust functions as a global citizen whose commitment to building a healthy, sustainable environment involves deep regard for our surrounding communities. We understand our footprint affects the larger ecological system and the lives of community members, and we believe in the power of community-based actions to effect positive change for the good of our planet. Northern Trust commits its resources, including capital support and employee volunteerism, to local initiatives and organizations focused on environmental awareness and protection.

Procurement

Northern Trust’s suppliers provide services in the categories of business, technology and market data to support the needs of our clients and employees globally. As detailed in our Supplier Code of Conduct and Global Procurement Policy, Northern Trust expects our providers to conduct business in an ethical, legal and socially responsible manner.

We regularly review suppliers’ adherence to our policies and pursue corrective measures when necessary. We use the U.S. Office of Foreign Assets Control to screen each vendor to ensure compliance with all economic and trade sanctions.

Northern Trust is committed to integrating ethical, social and environmental factors into our global procurement policy.

Aspects of our global procurement program include:

- Completing due diligence requiring any supplier providing goods and/or services outside of the U.S. to complete an anti-bribery questionnaire
- Requiring suppliers to obey the laws of the country of manufacture, sale and distribution
- Coordinating a supplier management program that assesses risk, monitors performance and promotes continuous improvement activities

Our approach to supplier relationship management (SRM) ensures we establish an appropriate level of oversight and structure with each of our suppliers. This process maximizes relationships with suppliers, resulting in ongoing risk mitigation and value delivery that meets or exceeds contracted value. We continue to invest in and review new SRM techniques and processes that will increase coverage to additional supply categories.

The goals of Northern Trust’s vendor management program are to:

- Provide and implement the framework to monitor and manage vendors
- Ensure consistency and compliance with regulatory guidance
- Instill a continuous improvement philosophy into the supplier relationship
- Ensure compliance with contractual terms and conditions

The SRM process includes:

- Using vendor segmentation
- Applying a governance model appropriate for the vendor’s designated segment
- Administering jointly developed key performance indicators
- Developing and implementing a vendor management plan
- Assigning vendor managers the responsibility for specific activities required by the segmentation
- Monitoring and reporting on the status of open vendor issues

- Establishing performance improvement goals for ongoing vendor relationships as needed
- Conducting regular vendor business review meetings

Our procurement policy promotes a fair and objective bidding process by neither requiring the use of local suppliers nor measuring our spending with local or regional suppliers.

Supplier Diversity

Supplier diversity is an essential component of a world-class, global procurement organization. How and with whom we do business reflects our commitment to developing and supporting diverse business owners. Diverse suppliers contribute to our success, foster increased competition and innovation and enhance our ability to provide clients with excellence in service. Northern Trust’s supplier diversity program is led by a senior-level manager, the Director of Supplier Diversity. In 2019, we spent more than \$160 million with minority, women, veteran, LGBTQ+, disabled and small business enterprises. Northern Trust continues to bring diverse suppliers into our supply chain.

In 2019, we spent more than \$160 million with minority, women, veteran, LGBTQ+, disabled and small business enterprises.



Employees

We recognize that our employees are critical to our success, and we take our search for and retention of top talent seriously. We target our talent identification, sourcing methods and recruiting strategies to specific locations using a variety of channels including job boards, colleges, professional networks, associations and online social networks. We base hiring decisions on a variety of factors, including educational background, diversity, relevant experience, past accomplishments, professional licensing and strong evidence of integrity and ethical behavior.

Talent Management and Education

Northern Trust's talent management department is led by the Chief Talent Officer, who reports directly to the Chief Human Resources Officer (CHRO). This team is accountable for working with the business to establish enterprise talent policies, programs and practices focused on learning and development, talent planning and organizational effectiveness. This team also works closely with functional learning and development teams who report into their respective business lines to ensure we deliver holistic training solutions.

Learning & Development

Through our **Northern Trust University** portal, employees can easily access a customized portfolio of core professional, manager, sales and client-servicing training solutions. In 2019, employees consumed more than 450,000 hours of training in self-paced, virtual and instructor-led formats.

We offer a **Future-Focused Skills Learning Center** designed to increase employees' proficiency in the skills needed to serve our clients in a digital economy. The 2019 launch included Data Analytics, Commercial Acumen and Digital Acuity skills learning categories.

Northern Trust provides targeted internal and external development content and opportunities for managers to support their transition to each new level of management. Many of our programs are interactive and include peer networking and direct access to well-known expert facilitators.

Northern Trust encourages employees to pursue further education. Our **U.S. Education Assistance Program** provides tuition reimbursement for undergraduate and graduate degrees. In 2019, the program had over 300 active participants who completed 1,180 classes. We have also collaborated with DePaul University to deliver a two-year onsite MBA program to more than 90 participants, making it more convenient for employees. Our EMEA and APAC Education Assistance Programs focus on helping employees attain various certifications.

Talent Planning

Northern Trust is committed to identifying and developing a deep pipeline of diverse, high-potential talent at various levels across the globe to meet our evolving business needs. Annually, managers conduct talent assessments for more than 7,000 employees, and business and regional leadership teams hold talent review discussions focused on specific topics, such as workforce needs, diversity, top talent, readiness for promotion, readiness-to-move and succession plans. Each year our Chief Talent Officer holds a talent review meeting with the members of our Management Group. A formal talent review is also conducted with our Board of Directors each year, led by our CEO and CHRO.

There are several resources available to all employees on Northern Trust University to help them navigate their careers. In addition, we manage several programs to develop a diverse pipeline of future leaders and help employees advance their careers:

- The **Rotational Development Program** focuses on helping diverse, entry-level talent build their technical and leadership skills in a specific career track — credit, finance, investments, asset servicing or technology. Rotations involve training, mentors, speakers, community service and a case challenge.
- The **Enterprise Talent Leadership Program** seeks to prepare diverse, mid-career talent for leadership success. The program includes assessments, career and development planning, mentors, speakers, targeted development and exposure to senior leadership. Over 50 percent of the program's alumni hold key leadership roles today.
- At the senior level, we facilitate a **Dialogue with Directors** program that provides top talent with exposure to our Board of Directors and enables the Board to engage with talent throughout the organization.

Organizational Effectiveness

The Talent Management team also oversees strategic workforce planning, organizational design and effectiveness, performance management, engagement and recognition. We have established an internal center of excellence that is equipped to provide consultation, design and implementation support. Northern Trust's annual performance management process includes goal-setting, a mid-year review process, multi-rater feedback and a year-end review. Priorities are set by our CEO and communicated to each business, department, team and individual. Managers are encouraged to provide regular feedback and coaching to elicit performance and results. In 2019, we conducted an employee engagement survey to get a pulse on employees' concerns and level of engagement and to enable us track our progress over time.

Our vision for DE&I is embedded at all levels of our organization, with women and ethnic minorities representing more than half of our Board of Directors.

Diversity, Equity & Inclusion

Northern Trust embraces all forms of diversity and recognizes the strength diversity brings to our employees, clients, shareholders and local communities. Our core values of service, expertise and integrity are foundational to our commitment to an inclusive culture in which all individuals must be welcomed, respected, supported and valued so that they can fully participate in, and contribute to, our success.

Our unwavering belief that DE&I are inextricably linked differentiates our commitment and approach to diversity. In 2019, we added “equity” as a key factor in demonstrating our commitment to removing and breaking down barriers.

Diversity is about who we are, including the differences that make us unique in perspectives, attributes, experiences and background.

Equity is about fairness of access, opportunity and advancement for all, which requires eliminating barriers and the root causes that have prevented underrepresented groups from fully participating in the workplace.

Inclusion is the act of creating a work environment in which any individual or group can feel welcomed, respected, supported and valued to fully participate in and contribute to the organization’s success.

Our vision for DE&I is embedded at all levels of our organization, with women and ethnic minorities representing more than half of our Board of Directors. Our Board, through its Corporate Governance Committee, also engages in active oversight of our DE&I strategies, programs and principles. Reflecting the importance of DE&I at Northern Trust, our Head of CSR and Global DE&I serves as an Executive Vice President reporting directly to our Chairman, President and CEO. Two Chief DE&I officers are responsible for the design and execution of topic-relevant programs across our North America, EMEA and APAC regions.

STRATEGIC PRIORITY	FOCUS	DELIVERABLES
Drive Accountability	Track progress of, and hold managers accountable for, measurable outcomes	<ul style="list-style-type: none"> Developed a DE&I dashboard that tracks our progress toward achieving our corporate strategy and increasing diversity across the organization Refined and relaunched DE&I governance model
Enhance Development Programs & Placement	Create targeted and scalable programs and provide tools focused on early, mid-career and senior-level advancement	<ul style="list-style-type: none"> Expanded talent development programs Revised talent acquisition policies and capabilities
Advance Culture	Advance Northern Trust culture to create a more diverse and inclusive environment	<ul style="list-style-type: none"> Improved DE&I communications and messaging Provided leadership and unconscious bias training to employees Enhanced global work-life related policies

In 2019, we continued to enhance our overall DE&I strategy to align it more closely with our business goals. Some key initiatives for 2019 were as follows:

Global Diversity, Equity & Inclusion Assessment

Northern Trust recognizes that further progress with respect to DE&I — both within our organization and within the communities we serve — requires continuing diligence. In 2019, we worked with the consulting firm Korn Ferry to evaluate our DE&I efforts at all levels of our organization. Developed in response to these findings, our DE&I strategy recognizes the importance of DE&I to our success as a business and highlights our commitment to expanding and enhancing our DE&I efforts. Three primary components direct our DE&I strategy:

- Drive accountability
- Enhance development programs and placement
- Advance culture

DE&I is connected to the organization's purpose; a diverse, equitable and inclusive workforce enables our ability to meet our clients' business needs.

DE&I Governance

We are committed to awareness, action and accountability in the workplace. Our Global Executive DE&I Council is responsible for providing strategic oversight and defining and driving accountability on the global DE&I priorities. The Council is co-chaired by our CEO and our Head of

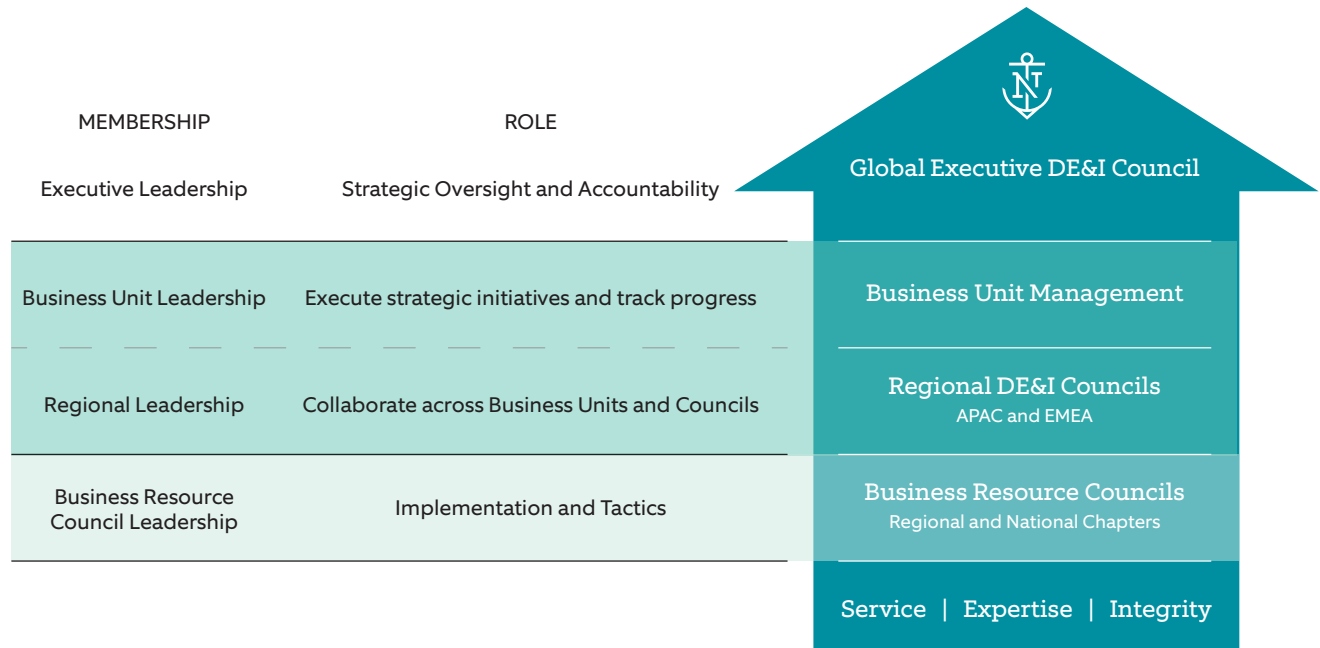
CSR and Global DE&I. Its mission is to facilitate the development of an inclusive culture that values and leverages DE&I to achieve and sustain superior business results. This newly relaunched governance model will facilitate the development of an inclusive culture that values and leverages DE&I to achieve and sustain superior business results.

Development and Pipeline Programs

To expand a diverse talent pipeline at the early, mid-career and senior levels, we increased the size of our 2019 Global Enterprise Talent Leadership Program and piloted a NextGen Team Lead Program in our Tempe office. These initiatives are aligned with our goal of creating more targeted and scalable development programs across the organization.

Unconscious Bias Training

To advance our culture of inclusion throughout the organization, we have created a number of mandatory training sessions for employees. In 2020, employees will receive three introductory videos and a three-part eLearning series called "Unconscious Bias: Understanding Bias to Unleash Potential." The training will help our employees identify bias and how it affects the decisions we make; demonstrate ways to cultivate meaningful connections to help us value the people around us; and encourage our employees to take an active role in creating an environment where all people are respected, included and valued.



In 2019, our BRCs launched global campaigns to increase collaboration across regions and strengthen the engagement of our employees worldwide.

Business Resource Councils

The Northern Trust Business Resource Councils (BRCs) are employee-led resource groups that provide tools and resources to support the development of an inclusive culture that values and leverages DE&I to achieve and sustain superior business results through:

- Contributing to the organization’s success by providing professional development opportunities
- Assisting in attracting diverse talent
- Providing diverse insights to our overall business
- Enhancing cultural understanding

BRC participation is voluntary and open to all employees who are interested in the mission of the group. To provide further connectivity to our organization’s priorities and additional strategic oversight, each BRC is managed by an executive committee of mid- to senior-level employees and benefits from the guiding input of an executive sponsor.

NORTHERN TRUST'S BUSINESS RESOURCE COUNCILS



In 2019, our BRCs led internal and external events with the purpose of advancing diversity, equity, inclusion and engagement. The councils also launched global campaigns to increase collaboration across regions and strengthen the engagement of our employees worldwide.

A few key programs and initiatives included:

NORTH AMERICA

BRC Advisory Council — Northern Trust developed the BRC Advisory Council to align the BRCs to our DE&I strategy, foster collaboration to form more intersectionality, and create consistency across the BRCs. It aims to increase the value and visibility of the BRCs by developing talent, fostering engagement and creating a community connection.

BRC Summit — Our second annual BRC Summit took place in our Chicago and Tempe offices and focused on celebrating DE&I, promoting the benefits of BRC membership and illuminating career opportunities and key skills for success across Northern Trust. The Career Expo provided participants exposure to Northern Trust’s business units through in-person networking with managers and access to relevant learning and development opportunities. As

part of the summit, the BRC executive committees participated in the first of a five-part BRC Leadership Learning Series focused on leadership attributes including strategic thinking, planning and execution, personal courage, effective communication and inspirational leadership. The summit successfully increased membership across the BRCs.

Women’s Leadership Development Forum (WLDF)

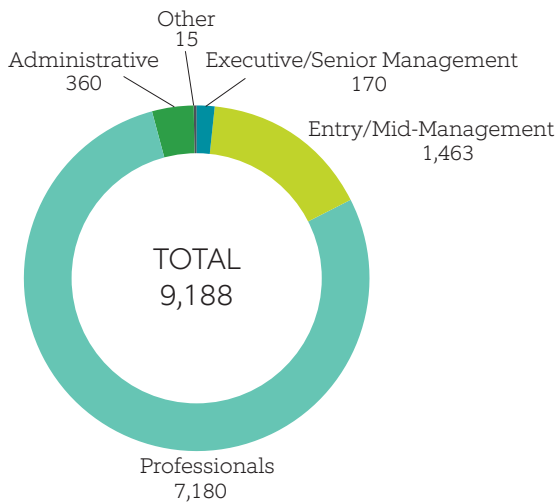
— Led by our Women in Leadership BRC, the annual Women’s Leadership Development Forum is a series of professional development and personal mentoring sessions designed to develop strategic leaders. This year, in response to industry trends and membership feedback, WLDF integrated a male-ally component to engage men as allies, provide tools men can use to advocate for women in the workplace, and clarify ways men can support the advancement of women. More than 1,700 high-potential women ranging from early-rising talent to senior leaders have participated in the program globally since its inception in 2008, including the most recent cohort of 118 women.

the rights and well-being of people with disabilities. Led by the Disability BRC, employees celebrated across our Northern Trust offices in APAC, EMEA and the U.S. Highlights included a disability awareness poster campaign in India, the lighting of our offices in Ireland in purple, a volunteer event with a non-profit organization that provides services to persons with disabilities in Manila and an information session in North America on the various disabilities that can impact a person’s ability to carry out their day-to-day activities.

International Day Against Homophobia, Transphobia and Biphobia (IDAHOTB)

— In support of Northern Trust’s commitment to fostering a diverse, equitable and inclusive culture, offices around the world marked the day on May 16 and 17. Led by Northern Trust’s global NT Pride BRC employees in Chicago, Guernsey, Ireland, London, Manila and Tempe wore purple to recognize the day. Through activities including a photo booth and ally workshop, employees in Manila promoted the power that LGBTQ+ ally support can bring. The strong international participation in the annual IDAHOTB event illustrates Northern Trust’s commitment and support of LGBTQ+ employees.

WOMEN IN GLOBAL WORKFORCE



GLOBAL CAMPAIGNS

International Day for Persons with Disabilities

— The International Day for Persons with Disabilities is observed annually on December 3rd to promote

Global Military Appreciation — Members of the Military Assistance and Appreciation BRC worked together in a global campaign to show appreciation for Northern Trust employees who have served in the military and the families of veterans or those who are currently serving. On Veterans Day in the U.S. and Remembrance Day in the U.K., our Chairman, President and CEO joined several Northern Trust leaders to thank our veteran employees around the globe for their service through an internal video. An accompanying presentation included photos of our veteran employees, highlighted the work the BRC has done internally and externally, and illuminated the efforts of our organization to support veterans and veteran hiring. This global campaign showcased the unique skills, talents and sense of teamwork our military employees contribute to Northern Trust.

Diversity, Equity and Inclusion Awards and Recognitions

Named to the **Gender-Equality Index (GEI)** by Bloomberg (2020) — 3rd consecutive year

Scored a perfect 100 on the Human Rights Campaign Foundation's 100 Best Places to Work for LGBT **Equality Corporate Equality Index** (2020) — 13th consecutive year

Named to the list of America's Most Responsible Companies by **Newsweek** (2020)

Named as Top Financial & Banking Company by **Professional WOMAN'S Magazine** and **Black EOE Journal** (2019) — 9th consecutive year

Named to List of Top 50 Companies for Latinas to work for in the United States by **LATINA Style Magazine** (2019)

Named to **Forbes** list of Best Employers for Diversity (2019)

Named as one of 2019's Top 15 Hispanic Employee Resource Groups (ERG) of the Year — The Latin Heritage Leadership Council recognized by **LATINA Style Magazine** (2019)

Named to **Diversity Best Practices Inclusion Index** (2019)

Scored 100 percent on the **Disability Equality Index (DEI)** by the American Association of People with Disabilities (AAPD) and Disability:IN list of **Best Places to Work for Disability Inclusion** (2019)

Received the **Illinois ESGR Seven Seals Award** for support of our organization's military community (2019)

Named a **Silver Cradle Award Honoree** for adoption benefits, The Cradle Foundation (2019)

COMPOSITION OF NORTHERN TRUST'S GLOBAL WORKFORCE*

	APAC	EMEA	NORTH AMERICA	TOTAL
Permanent Full-time	6,980	3,587	9,206	19,773
Permanent Part-time	5	282	94	381
Total	6,985	3,869	9,300	20,154

*As of December 31, 2019.

WORKFORCE BY ETHNICITY**

	White	Black	Hispanic	Asian	Native American	Hawaiian	Two or More	Total
Executive/Senior Management	309	17	18	11	1	1	3	360
Entry/Mid Management	1,148	149	130	177	2	-	18	1,624
Professionals	4,342	804	846	757	6	20	119	6,894
Administrative	149	71	70	11	-	-	3	304
Other	10	11	16	1	-	-	1	39
Total	5,958	1,052	1,080	957	9	21	144	9,221

** As of December 31, 2019. Ethnicity statistics include U.S. locations only.

All statistics include both permanent and temporary employees.

HUMAN RIGHTS AND WORKFORCE PRINCIPLES

Northern Trust's human rights and workforce principles apply to all global operations and clearly state our support for the rights of minority groups, women and workers. Our principles expressly reference our conformance with public policies including the International Labour Organization's standards and the Organisation for Economic Co-operation and Development's guidelines for multinational enterprises. Employees worldwide may exercise freedom of association regarding collective bargaining and trade agreements as permitted by applicable regional laws.

We apply these standards to our suppliers and vendors as well as to our employees, who receive training on anti-discrimination, DE&I, and the prevention of sexual harassment. We also provide training on cultural change, which is especially helpful for expatriates and employees serving short-term assignments abroad or experiencing global relocation. Several senior-level company officers are responsible for overseeing the execution of our human rights and workforce standards. These standards commit us to providing fair and equal wages to employees regardless of gender and offering competitive compensation and benefits to our workforce.

Northern Trust's human rights and workforce principles apply to all global operations and clearly state our support for the rights of minority groups, women and workers.



Shared Value

Community Engagement

Community engagement opportunities, paid time off for volunteerism and our matching gift programs enhance our communities and provide a competitive advantage in employee recruiting and satisfaction. Options for employee volunteerism are consistently a priority for college graduates considering future employers. Non-profit and civic board involvement is integral to talent management, as it provides employees with leadership, skills development and networking opportunities beyond the scope of their responsibilities. Northern Trust Community Partners is a global program that helps employees identify, engage and develop relationships with local charities. These relationships include financial and volunteer support.

We offer two full days of paid time off for employees to volunteer with approved non-profit organizations. Through our volunteer initiative “Achieving Greater Together,” in 2019, our employees globally joined in volunteering efforts to donate time to organizations such as the Greater Chicago Food Depository in Chicago and the East End Community Foundation in London. The initiative engaged nearly 2,000 employees who donated 8,000 hours of volunteer time to 160 organizations. Additionally, Northern Trust collectively donated nearly 110,000 hours of service throughout the year.

BRAND AWARENESS

Our brand strength relies on community sponsorships and alignment with highly respected, non-profit institutions. Our charitable grants, event sponsorships, charitable and civic board representation and employee volunteerism are integral to our marketing strategy and serve to help raise brand awareness and brand equity in our target markets around the world.



Employee Volunteering in India

Our India office is a prime example of how employee volunteering is woven into the fabric of Northern Trust's culture of caring. In 2019, more than 1,600 employees in India recorded a total of 3,500 volunteering hours to support the communities in which we live and operate.

A blood donation camp elicited participation from 928 employees, who collectively donated 677 units of blood. In a concerted effort to contribute to a sustainable environment, more than 100 employees participated in our "Wake the Lake" initiative, which aims to help revive the lakes across Bangalore. Additionally, our Supported Livelihood program assisted more than 30 disabled women and provided mobility/hearing aids for over 150 disabled individuals/children. And our employees raised ₹ 1.1 million to support people impacted by floods, a sum that Northern Trust matched with an equal corporate contribution.

Community involvement is deeply rooted in the Northern Trust culture and affects the way we do business globally. Since our founding in 1889, Northern Trust has actively advanced a culture of caring and a commitment to invest responsibly in the communities we serve worldwide. This philosophy continues today through progressive community investments; contributions to service and community organizations; employee volunteerism; gifts in-kind, such as donations of meeting space, catering, supplies and other knowledge services; and directorship guidance to charitable and civic boards. Our approach to supporting our communities considers our influence on our clients, shareholders and employees and we execute each activity with these priorities in mind.

Northern Trust's global corporate philanthropy program awarded more than \$17 million to local and international civic and charitable organizations in 2019.

BUSINESS DEVELOPMENT

We work directly with each of our business units to focus on the philanthropic interests of our client base and identify community investment opportunities related to key marketing and client relationship efforts.

Corporate Alignment

In October 2012, the Board of Governors of the Federal Reserve System, the federal regulator responsible for monitoring the Community Reinvestment Act (CRA), approved the designation of The Northern Trust Company as a "wholesale bank." The wholesale designation allows us to concentrate efforts and resources on direct investments that have a sustainable community impact. New CRA investments totaling \$613 million were originated in 2019 and we have maintained an outstanding CRA rating for 25 consecutive years. The Corporate Governance Committee of the Board of Directors receives an annual CRA and fair lending report and approves our policy related to community reinvestment. As of December 31, 2019, our community investments portfolio exceeded \$2.6 billion and consisted of:

\$2.3 Billion Portfolio AFFORDABLE HOUSING

OBJECTIVE: *Support the creation and retention of affordable rental housing and affordable homeownership in partnership with mission-driven lenders and developers.*

Northern Trust continues our commitment to sustainable, affordable homeownership through ongoing partnerships with Habitat for Humanity affiliates, investments in CDFI loan funds for affordable homeownership and purchases of mortgage-backed security pools of home mortgages for low- and moderate-income individuals. We continue to own and service mortgages originated through our affordable mortgage program for low- and moderate-income homebuyers and communities. Northern Trust is



Northern Trust Invests in Public Safety and Youth Centers

In 2019, Northern Trust helped fund the construction of two At-Promise Youth Centers in Atlanta. These two new state-of-the-art community facilities will provide space for at-risk youth to participate in educational, recreational, emotional and workforce development programming. The new facilities are modeled after the existing Westside At-Promise Youth Center, which enrolled 347 at-risk youth in its first year and recorded a 2 percent recidivism rate compared to 20 percent for the county. After enrolling in the program, 92 percent of the program's high school seniors graduated and 89 percent of job applicants found employment.

The two new At-Promise Youth Centers will be in the Pittsburgh and Campbellton neighborhoods, both of which qualify as "severely distressed," with low area median incomes and unemployment rates of more than 30 percent.

also committed to the development of affordable rental housing through investments in CDFIs, pools secured by affordable rental housing developments, municipal bonds supporting affordable rental housing, and equity in affordable rental housing developments through the Low-Income Housing Tax Credit Program.

Northern Trust provided an investment in Affordable Homes of South Texas, Inc. (AHSTI), a CDFI headquartered in McAllen, Texas that provides affordable housing opportunities and related services to eligible families in South Texas. For the last 43 years, AHSTI has been dedicated to improving substandard housing conditions and helping prospective homebuyers achieve their dream of homeownership at a price they can afford. Nationally recognized, AHSTI provides land development, general contracting and mortgage financing exclusively for low-income working families who traditionally do not qualify for conventional loans. In addition, AHSTI is a certified U.S. Department of Housing and Urban Development Counseling Agency and provides a multi-cultural, in-house homebuyer education and development program to all clients.

\$132.5 Million Portfolio **EDUCATION AND SOCIAL SERVICES**

OBJECTIVE: Provide long-term capital and equity for the development of community and education facilities and programs such as charters schools, health clinics and day care centers.

Northern Trust has provided an investment to Reynolds Community College in Richmond, Virginia, that will support the creation of a 25,000 square foot facility to increase the college's culinary education capacity, provide affordable residential apartments and house a full-service grocery store. The new facility will expand access to workforce and education programs offered by the college. The college is in a designated opportunity zone and a food desert where poverty rates range as high as 65 percent and is home to four large public housing communities. With the new facility, Reynolds will increase enrollment capacity from its current 200 students to 600 students per year.

Northern Trust invested in the capital fund of the Metropolitan Economic Development Association (Meda), which has helped more than 20,000 entrepreneurs of color and assisted in the start-up of more than 550 businesses.

\$140.4 Million Portfolio
JOB CREATION

OBJECTIVE: Support mission-driven micro-loan origination programs and the expansion of businesses and job creation through private equity funds.

Northern Trust invested in the capital fund of the Metropolitan Economic Development Association (Meda), which provides financing to minority entrepreneurs. Founded in 1971, Meda is one of the leading minority-led CDFIs in the country, has helped more than 20,000 entrepreneurs of color and assisted in the start-up of more than 550 businesses. In 2018, Meda received the Small Business Administration's Top Community Advantage Lender in Minnesota Award. For the last three years, the U.S. Department of Commerce and the Minority Business Development Agency have recognized Meda as the top-performing minority business development center in the nation. The proceeds will be used to provide access to capital, business consulting and market opportunities to help minority entrepreneurs grow into sustainable and profitable employers in their communities throughout the state of Minnesota.

\$27.7 Million Portfolio
WEALTH ACCUMULATION

OBJECTIVE: Make investments in CDFIs and community credit unions whose mission is to provide capital to develop products and services to meet the needs of the unbanked, underbanked and underserved members of our communities.

Northern Trust provides investments to several low-income community federal credit unions. These federally designated credit unions offer depository and loan products in low-income communities, combating high-cost payday and predatory lending.



Sustainable Investing

Our sustainable investing philosophy holds that ESG analytics can complement quantitative and fundamental investment techniques to mitigate risks or capture new opportunities. We believe that the long-term financial success of our various stakeholders is dependent upon a healthy global environment, a stable society and well-functioning, well-governed companies. As a result, we view the integration of ESG factors as a long-term aspect of Northern Trust's fiduciary heritage.

Northern Trust offers investment capabilities with sustainable objectives in equity, fixed income and real assets. While sustainability factors are often broad in nature, our investment framework focuses on certain key issues and approaches.

By incorporating a range of available tools and approaches to holistic portfolio construction and stewardship activities, our capabilities encompass a wide spectrum of sustainable approaches, from exclusionary to integratory to thematic.

Northern Trust ESG Funds

Our funds integrate or screen for a variety of different ESG factors including the United Nations Global Compact Principles, gambling, nuclear weapons and thermal coal. As an asset manager, we also have the capability to:

- Manage assets to a socially responsible index. We have partnerships with all the leading index providers and can design additional ESG indices on behalf of clients.
- Manage assets to a traditional index while excluding a client-directed list of companies. We currently manage restricted accounts to most major index series across asset classes. Accounts can be managed to replicate the risk and return characteristics of the broad index or the restricted index.

- Manage an assortment of innovative ESG debt products using a variety of screens, tilts and factors, all of which are focused on yielding competitive performance results while aligned with investor demand for sustainable investing along different time horizons.
- Manage assets using quantitative investing techniques intended to efficiently capture factor exposures that we feel are compensated over full market cycles while mitigating undesired risk in the portfolios.

As of the end of 2019, Northern Trust Asset Management managed over \$100 billion of assets globally that incorporated ESG criteria, including nine new ESG equity funds launched in 2019.

ESG FUNDS LAUNCHED IN 2019

Pacific Custom ESG	Emerging Market Quality Low Carbon	Emerging Markets Multifactor ESG
World Small Cap ESG Low Carbon	Euro Investment Grade Corporate ESG Bond Index	Global High Yield ESG Bond Index
Sterling Conservative Ultra Short ESG	World Green Transition Index	High Dividend ESG World Equity

REPORTING TOOL FOR ESG FACTORS

We introduced a new Investment Risk & Analytical Services reporting tool that allows clients to monitor the impact of ESG factors on their portfolios, and better understand how their investment performance relates to these factors.

Our new performance measurement capabilities allow clients to compare a broad range of ESG indices, down to the daily stock level, to determine performance attributions. Using Ideal Ratings data, clients can monitor their investments in companies that derive revenue through potentially undesirable and restricted areas including animal testing, firearms and child labor.

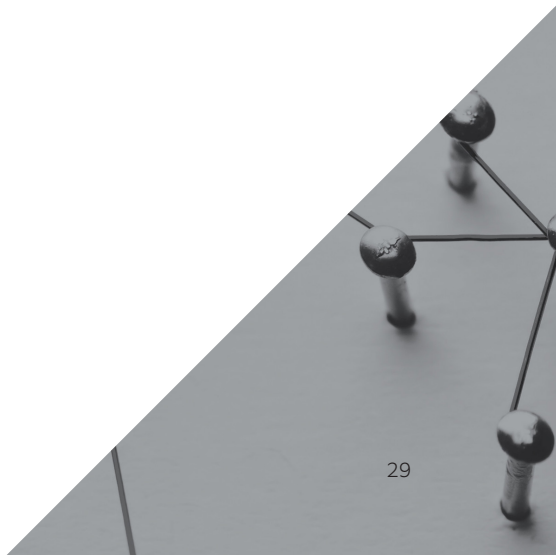


Corporate Sustainability Initiatives


The sustainable products and services we provide our clients are an essential part of our corporate-wide strategy.

We achieved the following in 2019:

- Through converting many of our Wealth Management clients to electronic statements, we significantly reduced paper and energy waste and achieved annual cost savings of more than \$300,000.
- By enabling clients to understand fully the ESG exposure of their portfolios on the environment, we helped them make choices that reflect their values.
- We introduced new tools to educate clients on fraud and cyber security.



Spotlight on the Northern Trust World Green Transition Index Fund



Northern Trust Asset Management is at the forefront of innovation in providing solutions that support the transition to a low-carbon economy. Increasingly, it is essential for investors to build resiliency to climate change into their portfolios. The Northern Trust World Green Transition Index Fund is an innovative strategy that combines Northern Trust's long-standing custom ESG approach — which establishes an appropriate universe — with climate-centered metrics to construct a holistic, climate-aware passive solution. The goal of this fund is to tilt towards companies benefiting from the energy transition and provide a hedge against systematic climate change risks. This unique approach avoids potential carbon emissions used for energy applications and achieves a 65 percent reduction in carbon emissions compared to the MSCI World Index. Incorporation of these climate change considerations, as both negatives screens and positive tilts, aligns with the UN Sustainable Development Goals 7, 9, 11, 12 and 13.

Stewardship

Engagement with management of the companies in which we invest is a core part of the equity research process. Northern Trust's equity research analysts engage with hundreds of companies annually. Our focus is to accumulate and interpret data to reach sound investment conclusions with the aim of delivering positive long-term investment outcomes for clients. We employ both quantitative and qualitative approaches in this process. In addition to strategy, risk and sustainability of financials, analysts also monitor ESG factors that are of material concern to the long-term sustainability of the investment. The proxy analyst team supplements the analysis performed by Northern Trust's equity analyst team with additional research on ESG matters that contribute to the long-term value of the investment and reflect Northern Trust's commitment to ESG issues. In our role as an active owner, we help portfolio companies produce sustainable value and long-term financial returns.

In our role as an active owner, we help portfolio companies produce sustainable value and long-term financial returns.

We strongly believe in the importance of our leadership role and collaborative effort in the industry. Members of the Sustainable Investing Council have active roles in industry associations and networks.

Global Sustainable Investing Team

Northern Trust has developed in-house, specialized expertise through our long-term commitment to social, environmental and financial integrity. Our sustainable investing team is responsible for ESG research, innovation, product development and product management across our array of asset class capabilities. It proactively develops new ideas to ensure the centrality of sustainable investing to our business development. This team works closely with our clients and our portfolio management team to develop and implement sustainable investing strategies ranging from simple negative screens to more complex mandates, including thematic or active quantitative strategies. The team works closely with a variety of groups within Northern Trust Asset Management, including our quantitative research team and specialized portfolio managers.

Sustainable Investing Council

In addition, Northern Trust Asset Management has established a Sustainable Investing Council responsible for affirming strategies to address sustainable investment issues and implementing these strategies at a corporate level. The Sustainable Investing Council is chaired by Northern Trust's Global Head of Product Management and includes a diverse and representative group of members who represent different parts of our business. All members meet on a periodic basis and promote sustainable investing which represent various audiences such as CSR, product development and management, equity, fixed income research, portfolio management, business development, proxy voting and engagement. This set-up contributes to a further enhancement of Sustainable Investing within and throughout our company. We strongly believe in the importance of our leadership role and collaborative effort in the industry. Members of the Council have active roles in industry associations and networks such as the Principles for Responsible Investment, the investor advisory committee of the Sustainable Accounting Standards Board, the Institutional Investor Group on Climate Change and the Harvard Institutional Investor Forum.

Selected Memberships and Initiatives

THE UNITED NATIONS ENVIRONMENTAL PROGRAMME — FINANCE INITIATIVE (UNEP FI)

The UNEP FI is a global partnership between UNEP and the financial sector. More than 200 institutions, including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance.

UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTING (UNPRI)

The UNPRI Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision-making and ownership practices.

ASSOCIATION OF CORPORATE CITIZENSHIP PROFESSIONALS (ACCP)

The ACCP is a membership organization open to for-profit companies or corporate-funded foundations that have corporate responsibility or corporate citizenship programs.

INSTITUTIONAL INVESTORS GROUP ON CLIMATE CHANGE (IIGCC)

The IIGCC is a forum for investors to collaborate on climate change. It provides investors with a collaborative platform to encourage public policies, investment practices and corporate behaviors that address long-term risks and opportunities associated with climate change.

CEO ACTION FOR DIVERSITY AND INCLUSION

CEO Action for Diversity and Inclusion is the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. All signatories have committed to taking steps to increase diversity and foster inclusion within their respective organizations and the larger business community.

CLIMATE ACTION 100+

Climate Action 100+ is an investor initiative to ensure the world's largest corporate GHG emitters take necessary action on climate change. The companies include 100 "systemically important emitters" that are responsible for two-thirds of annual global industrial emissions, alongside more than 60 others that have a significant opportunity to drive the clean energy transition.

U.K. WOMEN IN FINANCE CHARTER

The charter reflects the U.K. government's aspiration to ensure gender balance at all levels across financial services firms. A balanced workforce has positive effects for customers, profitability and workplace culture, and is increasingly attractive for investors.

NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL

The National Minority Supplier Development Council (NMSDC) advances business opportunities for certified minority business enterprises and connects them to corporate members. The NMSDC matches more than 12,000 certified minority-owned businesses to their network of corporate members who wish to purchase their products, services and solutions.

CHICAGO MINORITY SUPPLIER DEVELOPMENT COUNCIL

The mission of Chicago Minority Supplier Development Council (CMSDC) is to certify, develop, connect and advocate for minority suppliers as the premier supplier development organization creating sustainable and profitable relationships between minority business enterprises and major buying organizations.

WOMEN'S BUSINESS DEVELOPMENT CENTER

The Women's Business Development Center (WBDC) mission is to support and accelerate business development and growth, targeting women and serving all diverse business owners, in order to strengthen their participation in—and impact on—the economy.

CHICAGO UNITED

Chicago United's mission is to achieve parity in economic opportunity for people of color by advancing multiracial leadership in corporate governance, executive level management and business diversity.

FINANCIAL SERVICES ROUNDTABLE FOR SUPPLIER DIVERSITY

The Financial Services Roundtable for Supplier Diversity (FSRSD) is a 501(c)(6) organization comprised of regional, national and global financial services companies with a formalized supplier diversity initiative.

DISABILITY:IN CHICAGOLAND

Disability:IN Chicagoland is Illinois' only business-to-business association that promotes disability inclusion in the workplace, marketplace and supply chain. Disability:IN Chicagoland is the local affiliate of Disability:IN.

LGBT CHAMBER OF COMMERCE OF ILLINOIS

The mission of LGBT Chamber of Commerce of Illinois (LGBTCC) is to promote economic opportunities for the LGBT community by being an advocate and resource for all member businesses that encourage equality. The LGBTCC is a local affiliate of the National Gay and Lesbian Chamber of Commerce (NGLCC).



NORTHERN
TRUST

GLOBAL REPORTING INITIATIVE INDEX

Northern Trust's 2019 Corporate Social Responsibility Report

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE																																
General	102-1	Name of the organization	2019 Annual Report on Form 10-K ("2019 Annual Report"), cover page																																
General	102-2	Activities, brands, products, and services	2019 Annual Report, Business pg. 1																																
General	102-3	Location of headquarters	2019 Annual Report, cover page, Properties pg. 25																																
General	102-4	Location of operations	2019 Annual Report, Business pg. 1, Properties pg. 25																																
General	102-5	Ownership and legal form	2019 Annual Report, Business pg. 1																																
General	102-6	Markets served	2019 Annual Report, Business pg. 1-2, Geographic Area Information pg. 163																																
General	102-7	Scale of the organization	2019 Annual Report, Business pg. 1-2, Staff pg. 10, Selected Financial Data pg. 31, Financial Overview pg. 32, Senior Notes and Long Term Debt pg. 130, Stockholders' Equity pg. 131																																
General	102-8	Information on employees and other workers	<table border="1"> <thead> <tr> <th colspan="4">Total number of employees by employment contract (permanent and temporary), by gender</th> </tr> <tr> <th></th> <th>Permanent</th> <th colspan="2">Temporary</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>10,982</td> <td colspan="2">14</td> </tr> <tr> <td>Female</td> <td>9,172</td> <td colspan="2">16</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Total number of employees by employment contract (permanent and temporary), by region</th> </tr> <tr> <th></th> <th>APAC</th> <th>EMEA</th> <th>North America</th> </tr> </thead> <tbody> <tr> <td>Permanent</td> <td>6,985</td> <td>3,869</td> <td>9300</td> </tr> <tr> <td>Temporary</td> <td>0</td> <td>29</td> <td>1</td> </tr> </tbody> </table>	Total number of employees by employment contract (permanent and temporary), by gender					Permanent	Temporary		Male	10,982	14		Female	9,172	16		Total number of employees by employment contract (permanent and temporary), by region					APAC	EMEA	North America	Permanent	6,985	3,869	9300	Temporary	0	29	1
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GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE		
General	102-8	Information on employees and other workers	Total number of employees by employment type (full-time and part-time), by gender.		
			Full-Time	Part-Time	
			Male	10,943	53
			Female	8,857	331
			<ul style="list-style-type: none"> • Our revenue is generated from work that is performed by employees. • There are no significant variations in the number of employees during the year. • See pg. 22 of the Corporate Social Responsibility ("CSR") Report for additional details. 		
General	102-9	Supply chain	CSR Report, Procurement pg. 12-13		
General	102-10	Significant changes to the organization and its supply chain	CSR Report, Basis for Report pg. 4		
General	102-11	Precautionary Principle or approach	CSR Report, Workplace Services and Environmental Policies pg. 10-11		
General	102-12	External initiatives	CSR Report Basis for Report pg. 4 Workplace Services and Environmental Policies pg. 10-11 Selected Memberships pg. 25		
General	102-13	Membership of associations	CSR Report Basis for Report pg. 6 Government Relations and Political Contributions pg. 10 Corporate Services Group and Environmental Policies pg. 11-12 Selected Memberships pg. 32-33		
General	102-14	Statement from senior decision-maker	CSR Report pg. 2-3		
General	102-16	Values, principles, standards, and norms of behavior	Code of Business Conducts and Ethics		
General	102-17	Mechanisms for advice and concerns about ethics	Code of Business Conducts and Ethics CSR Report, Ethics pg. 8		
General	102-18	Governance structure	Corporate Governance Committee Charter		
General	102-30	Effectiveness of risk management processes	Corporate Governance Committee Charter, Business Risk Committee Charter		
General	102-35	Remuneration policies	2020 Proxy Statement pg. 35-45, 49, 52-54, 55-57		

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
General	102-37	Stakeholders' involvement in remuneration	2020 Proxy Statement pg. 26-31
General	102-40	List of stakeholder groups	CSR Report, Basis for Report pg. 4
General	102-41	Collective bargaining agreements	We do not have collective bargaining agreements; however, we do comply with the local laws regarding employees' rights and collective bargaining.
General	102-42	Identifying and selecting stakeholders	CSR Report, Basis for Report pg. 4
General	102-43	Approach to stakeholder engagement	Our last materiality study was conducted in 2019. We conduct a survey as necessary due to industry changes or changes to the reporting framework. CSR Report, Basis for Report pg. 4 2020 Proxy Statement, Stockholder Engagement, pg. 23
General	102-44	Key topics and concerns raised	CSR Report, Material Aspects and Key Performance Indicators pg. 5
General	102-45	Entities included in the consolidated financial statements	2019 Annual Report, Exhibit 21 Subsidiaries of the Registrant
General	102-46	Defining Report content and topic boundaries	CSR Report, Basis for Report pg. 4
General	102-47	List of material topics	CSR Report, Basis for Report pg. 4
General	102-48	Restatements of information	CSR Report, Basis for Report pg. 4
General	102-49	Changes in Reporting	CSR Report, Basis for Report pg. 4
General	102-50	Reporting period	CSR Report, Basis for Report pg. 4
General	102-51	Date of most recent Report	CSR Report, Basis for Report pg. 4
General	102-52	Reporting cycle	CSR Report, Basis for Report pg. 4
General	102-53	Contact point for questions regarding the Report	CSR Report, Basis for Report pg. 4
General	102-54	Claims of Reporting in accordance with the GRI Standards	CSR Report, Basis for Report pg. 4

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
General	102-55	GRI content index	Included herein
General	102-56	External assurance	We do not currently seek external assurance on our report.
Management	103-1	Explanation of the material topic and its boundary	CSR Report, Basis for Report pg. 4, Material Aspects pg. 5
Management	103-2	The management approach and its components	CSR Report, Core Aspects pg. 8, Operations pg. 10, Employees pg. 14, Shared Value pg. 24, Sustainable Investing pg. 28
Management	103-3	Evaluation of the management approach	CSR Report, Core Aspects pg. 8, Operations pg. 10, Employees pg. 14, Shared Value pg. 24, Sustainable Investing pg. 28
Economic	203-1	Infrastructure investments and services supported	CSR Report, Corporate Alignment pg. 25-27
Economic	203-2	Significant indirect economic impacts	CSR Report, Corporate Alignment pg. 25
Economic	205-1	Operations assessed for risks related to corruption	<p>All of Northern Trust’s processes are assessed for risks related to bribery and corruption.</p> <p>The significant risks related to bribery and corruption were identified in the following areas:</p> <ul style="list-style-type: none"> • Facilitation Payments • Contractors and Suppliers • Charitable Contributions • Gifts, Hospitality and Expenses • Agents and Other Intermediaries • Product Risk (Mergers and Acquisition, Project Finance, Private Equity, High-Value Projects, etc.) • Sponsorships • Books and Records • Political Contributions • Business Risk (Extraterritorial activities in some geographical locations that are more prone to bribery and corruption) • Recruitment/ Internships • Client Risk (Client industries, activities, and geographies of operation) • Transaction Risk (Heightened due diligence required for certain transaction types).

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
Economic	205-2	Communication and training about anti-corruption policies and procedures	<p>CSR Report, Core Aspects pg. 8-9</p> <p>The Global Anti-Bribery and Corruption Policy is reviewed by the Global Compliance Committee and the Compliance and Ethics Oversight Committee annually.</p> <p>a. All of Northern Trust's governance body members have Northern Trust's Global Anti-Bribery and Corruption Policy communicated to them on an annual basis.</p> <p>b. All of Northern Trust's employees have the Global Anti-Bribery and Corruption Policy communicated to them on an annual basis.</p> <p>c. The existence of Northern Trust's Global Anti-Bribery and Corruption Policy is communicated to any clients/business partners who request it.</p> <p>d. All of Northern Trust's governance body members received training on anti-bribery and corruption.</p> <p>e. All of the Northern Trust's employees received training on anti-bribery and corruption. The 2019 Anti-Bribery and Corruption training was provided to:</p> <p>i. 7,081 employees in APAC;</p> <p>ii. 3,731 employees in EMEA; and</p> <p>iii. 9,161 employees in N. America</p>
Environmental	305-1	Direct (Scope 1) GHG emissions	2019 Statement on Climate Change and GHG Emissions
Environmental	305-2	Energy indirect (Scope 2) GHG emissions	2019 Statement on Climate Change and GHG Emissions
Environmental	305-3	Other indirect (Scope 3) GHG emissions	2019 Statement on Climate Change and GHG Emissions
Environmental	305-4	GHG emissions intensity	2019 Statement on Climate Change and GHG Emissions
Environmental	305-5	Reduction of GHG emissions	2019 Statement on Climate Change and GHG Emissions

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
Social	403-1	Workers representation in formal joint management-worker health and safety committees	In those locations where health and safety committees exist, there is representation from senior management and the more junior ranks. Australia and the Philippines, which represent 6.7% of full time employees, are currently on the only locations with health and safety committees.
Social	404-1	Average hours of training per year per employee	Male = 22; Female = 23 Manager = 21; Non-manager 24
Social	404-2	Programs for upgrading employee skills and transition assistance programs	CSR Report, Partners pg. 14-15 We do not currently report on transition assistance programs for employees.
Social	404-3	Percentage of employees receiving regular performance and career development reviews	Annual Performance Review for the Year 2019 Of total population, 96% of these required to have performance review had a performance review. Of those required by gender: Male required 96% Female required 96% Of those required by Management Type: Manager 96% Non-Manager 97%
Social	405-1	Diversity of governance bodies and employees	Board of Directors
			Female 23%
			Male 77%
			Under 30 0.0%
			30-50 years old 0.0%
			50 years or older 100%
			Asian 8%
			Black 23%
			Hispanic 8%
White 62%			
Social	405-1	Diversity of governance bodies and employees	Management Group
			Female 27%
			Male 73%
			Under 30 0%
			30-49 years old 18%
			50 years or older 82%
			White 82%
			Black 18%

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
Social	405-1	Diversity of governance bodies and employees	Non-Management
			Female 45%
			Male 55%
			Under 30 39%
			30-50 years old 43%
			50 years or older 18%
			Asian 11%
			Black 11%
			Hispanic 12%
			White 64%
Other 2%			
Social	413-1	Operations with local community engagement, impact assessments, and development programs	CSR Report, Shared Value pg. 24-27
Social	414-1	New suppliers that were screened using social criteria	All suppliers are expected to adhere to the guidelines in our Supplier Code of Conduct. Supplier Code of Conduct
Social	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Northern Trust’s policy is to comply with all applicable laws and regulations in all countries where we operate. Northern Trust Corporation is a public company and is required to file periodic reports with the Securities and Exchange Commission (“SEC”), which would include information of this nature to the extent material.
Social	419-1	Non-compliance with laws and regulations in the social and economic area	Northern Trust’s policy is to comply with all applicable laws and regulations in all countries where we operate. Northern Trust Corporation is a public company and is required to file periodic reports with the Securities and Exchange Commission (“SEC”), which would include information of this nature to the extent material.

REFERENCES	
2019 Annual Report	https://cdn.northerntrust.com/pws/nt/documents/about-us/northern-trust-annual-report-2019.pdf
Code of Business Conduct and Ethics	https://cdn.northerntrust.com/pws/nt/documents/governance/code-of-business-conduct-ethics.pdf
Ethics	https://www.northerntrust.com/united-states/about-us/corporate-social-responsibility/governance-ethics
Corporate Governance	https://www.northerntrust.com/united-states/about-us/investor-relations/governance
Corporate Governance Committee Charter	https://www.northerntrust.com/documents/governance/charter-corporate-governance-2018.pdf
Proxy Statement	https://cdn.northerntrust.com/pws/nt/documents/about-us/northern-trust-proxy-statement-2020.pdf
Supplier Code of Conduct	https://cdn.northerntrust.com/pws/nt/documents/about-us/northern-trust-supplier-code-of-conduct.pdf
GHG Statement	https://www.northerntrust.com/dpocuments/annual-reports/csr/ghg-statement.pdf
10-K Filing	https://cdn.northerntrust.com/pws/nt/documents/earnings/Y9C/10q/ntrs-10k-2019.pdf