

Northern Trust Asset Management

2022 Stewardship Report

Key Takeaways

Northern Trust Asset Management (NTAM) is the asset management wing of Northern Trust Corporation with \$1T AUM (December 31, 2022). \$137B of its AUM is invested in sustainable strategies, which accounts for value and norm-based screening, ESG integration, and thematic investing. NTAM published its 2022 Stewardship Report in May 2023, outlining its engagement and proxy voting efforts for the previous year.

Engagement Overview

NTAM engaged **3,945** times in 2022 – 86 of these were direct engagements (see Fig 1), and 3,859 were through the outside engagement partner firm EOS at Federated Hermes. NTAM uses the United Nations’ Sustainable Development Goals (UN SDGs) as a guide to set its priorities during engagements. These priorities for 2022 were:

Environmental Engagement Priorities:

- Promote sustainable food and agriculture
- Preserve biodiversity
- Reduce climate risk (encourage alignment with the objectives of the Paris Agreement to achieve net-zero carbon emissions by 2050)

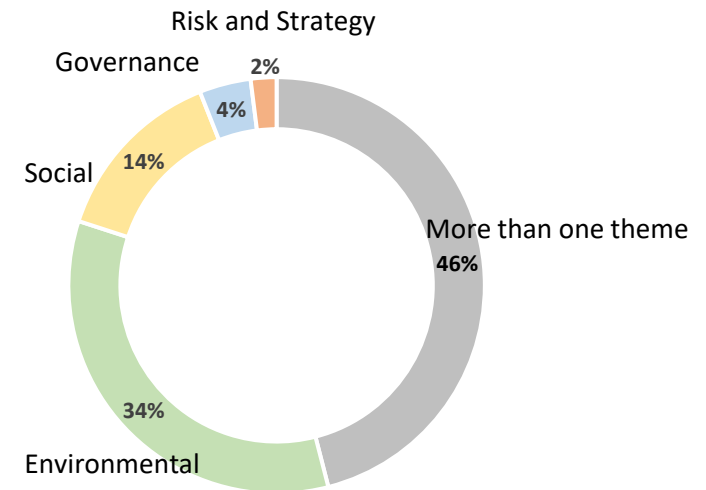
Social Engagement Priorities:

- Improve occupational health and safety
- Promote diversity, equity, and inclusion (DEI)
- Align conduct, culture, and ethics with product safety and human rights

Governance Engagement Priorities:

- Strengthen board diversity
- Align pay for performance

Fig.1 2022 Direct Engagements by Theme



(Pg 4, 2022 Stewardship Report)

NTAM is also part of the Institutional Investors Group on Climate Change, which has expanded collaborative engagements in 2023 to seek climate-change plans for more than 50 companies in line with the Net-Zero Investment Framework.

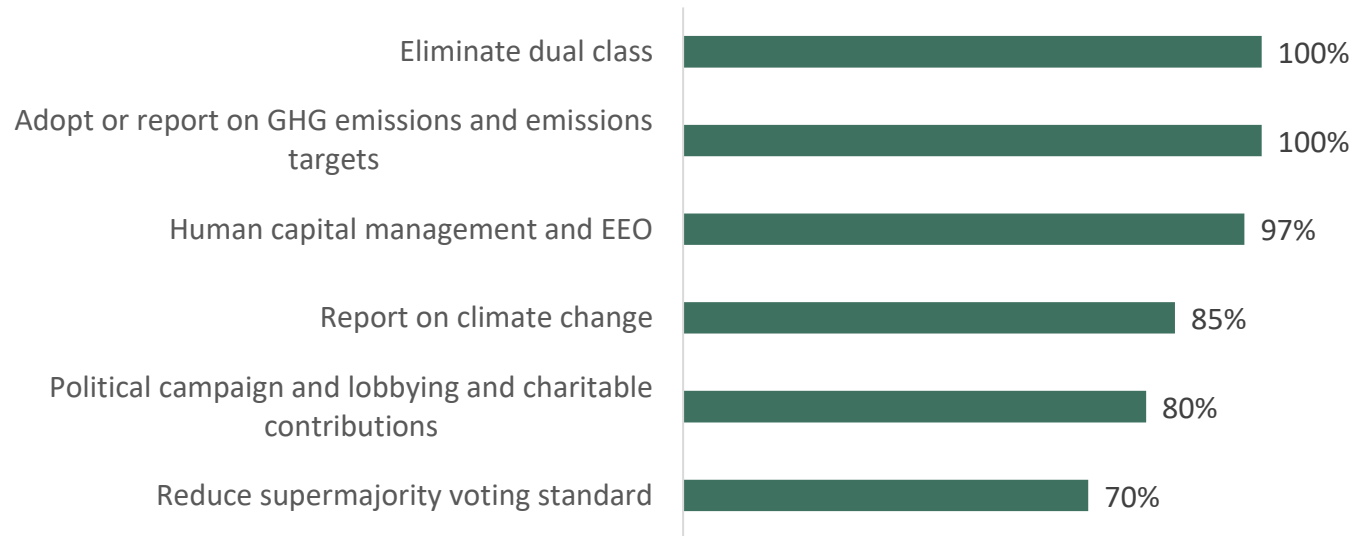
Voting Overview

- NTAM voted in favor of shareholder resolutions when companies did not progress sufficiently on priority issues, especially following engagements
- It also voted against directors when companies did not acknowledge its concerns or did little to address them
- It voted against board candidates **21%** of the time. It withheld support from more than 3,000 individual director nominees for reasons of gender diversity and 890 individual director nominees for racial and ethnic diversity in the U.S.
- It voted against management on **18% of all resolutions**, up from 16% in 2021

Shareholder Proposals

- It supported **82%** of resolutions related to DEI
- In 2022, NTAM voted in favor of all 23 resolutions that encouraged racial equity audits

Votes Against Management – US Select Shareholder Proposals



(Pg 98, 2022 Stewardship Report)



Understand How ESG Weighs into Investor Considerations to Make Your Next Engagement More Successful.

[ESG Roadshows](#)

[Data-Driven ESG Strategy](#)

What ZMH Can Do for You

*Our proprietary **ESG Engagement Dashboard™** allows you to leverage technology and data to optimize your shareholder interactions.*

ZMH Advisors LLC. is a technology-based shareholder and ESG advisory firm. We combine two decades of corporate governance and investor engagement experience with next-gen data analytics to deliver customized solutions for clients ranging from pre-IPO to S&P 500 companies. Our data-driven approach is powered by a proprietary **ESG Engagement Dashboard™**, which provides unique insights on investors with \$50T AUM.

Know what could be asked during an engagement

Stay up to date on investor's ESG priorities

Access to 1000+ case studies & detailed analysis

Understand how investors will vote on your ballot

Gain access to 7M NPX voting records & governance policies

Contact information & key players at each firm

CONTACT US TO SCHEDULE A DEMO

info@zmhadvisors.com | <https://zmhadvisors.com>