



# Carbon Reduction Plan

Supplier Name: Northern Trust Corporation

Reporting Year: Year ended 31 December 2023

Publication Date: 22 November 2024

## Commitment to achieving Net Zero Carbon

Northern Trust is committed to achieving net zero carbon emissions (Net Zero Carbon) from our business operations, which includes scope 1, 2 and 3 which is defined in the below paragraph under Business Operations, by 2050. Making a Net Zero Carbon commitment goes further than offsetting emissions from an organization's business operations. To achieve Net Zero Carbon, prior to offsetting, an organization must set a target for initial reductions in emissions from its operations. In 2021 we set an emissions reduction target to decrease our emissions by 50% by 2030 (as measured against our baseline-year emissions).

## Business Operations

The operational boundary of this plan includes leased and owned offices under operational control in all domestic and global regions within which the Corporation operates.

Scope 1 emissions are direct greenhouse gas (GHG) emissions that result from sources that are controlled by Northern Trust, for example our use of gas boilers and back-up diesel generators.

Scope 2 emissions are indirect greenhouse gas emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the point of generation, they are accounted for in an organization's GHG inventory because they are a result of that organization's energy use. For Northern Trust, scope 2 emissions are generally the result of our purchased electricity.

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. While we recognize that GHG protocols recommend including our investment and lending portfolios in our scope 3 emissions calculations, this plan is currently limited to our business operations.

**Baseline Emissions Footprint**

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. In 2022, the Corporation reset its baseline year to 2019.

Per the GHG Protocol, the emissions base year is subject to recalculation should a significant change in total base year emissions be identified due to factors including, but not limited to, inorganic growth or a change in methodology. To improve the accuracy of our reporting, we revised our methodology to include Scope 1 – fugitive emissions and additional upstream Scope 3 emissions. We have incorporated this into the base year and subsequent years. As a result, we have recalculated our total reported GHG emissions to reflect these changes. For more details, please refer to Northern Trust’s 2022 GHG statement.

<b>Baseline Year: 2019</b>	
<b>Additional details relating to the baseline emission calculations.</b>	
<p>In 2022, Northern Trust incorporated additional reporting categories into the Corporation’s 2019 baseline and subsequent years.</p> <p>Below outlines the addition of new categories from the following Scopes 1 and 3 (no change from Category 3 - Fuel and Energy):            Scope 1 – Fugitive emissions            Scope 3 – Category 1 – Purchased Goods and Services (partial), Category 5 – Waste Generated in Operations, Category 6 - Business Travel (Car Rental), and Category 7 – Employee Commuting including Hybrid Working (working from home and employee commuting).</p>	
<b>Baseline year emissions</b>	
<b>Scope 1</b>	<b>7,744 MtonCO<sub>2</sub>e</b>
<b>Scope 2</b>	<b>35,149 MtonCO<sub>2</sub>e</b>
<b>Scope 3 <sup>1</sup></b>	<b>36,496 MtonCO<sub>2</sub>e</b>
	<b>Category 1 - Purchased Goods and Services (partial) <sup>2</sup></b> <b>Category 3 - Fuel and Energy (partial)<sup>3</sup></b> <b>Category 5 - Waste Generated in Operations</b> <b>Category 6 - Business Travel</b> <b>Category 7 - Employee Commuting</b>
<b>Total Emissions</b>	<b>79,389 MtonCO<sub>2</sub>e</b>

<sup>1</sup> Northern Trust does not disclose information on Category 4 and Category 9 (Transportation & Distribution) because we do not produce physical products.  
<sup>2</sup> Currently this figure only reflects Northern Trust water purchased.  
<sup>3</sup> The fuel-and-energy-related activities that are tracked for Scope 3 are the transmission and distribution line losses not included in Scope 1 and 2.

**Current Emissions Reporting**

<b>Reporting Year: 2023</b>						
<b>EMISSIONS</b>	<b>TOTAL MtonCO<sub>2</sub>e<sup>4</sup></b>					
<b>Scope 1</b>	<b>4,391 MtonCO<sub>2</sub>e</b>					
<b>Scope 2</b>	<b>29,982 MtonCO<sub>2</sub>e</b>					
<b>Scope 3</b>	<b>38,942 MtonCO<sub>2</sub>e</b> <table border="1" style="margin-left: 20px;"> <tr> <td>Category 1<sup>5</sup> - Purchased Goods and Services (partial)</td> </tr> <tr> <td>Category 3 - Fuel and Energy (partial)</td> </tr> <tr> <td>Category 5 - Waste Generated in Operations</td> </tr> <tr> <td>Category 6 - Business Travel (partial)<sup>6</sup></td> </tr> <tr> <td>Category 7 - Employee Commuting</td> </tr> </table>	Category 1 <sup>5</sup> - Purchased Goods and Services (partial)	Category 3 - Fuel and Energy (partial)	Category 5 - Waste Generated in Operations	Category 6 - Business Travel (partial) <sup>6</sup>	Category 7 - Employee Commuting
Category 1 <sup>5</sup> - Purchased Goods and Services (partial)						
Category 3 - Fuel and Energy (partial)						
Category 5 - Waste Generated in Operations						
Category 6 - Business Travel (partial) <sup>6</sup>						
Category 7 - Employee Commuting						
<b>Total Emissions</b>	<b>73,315 MtonCO<sub>2</sub>e</b>					

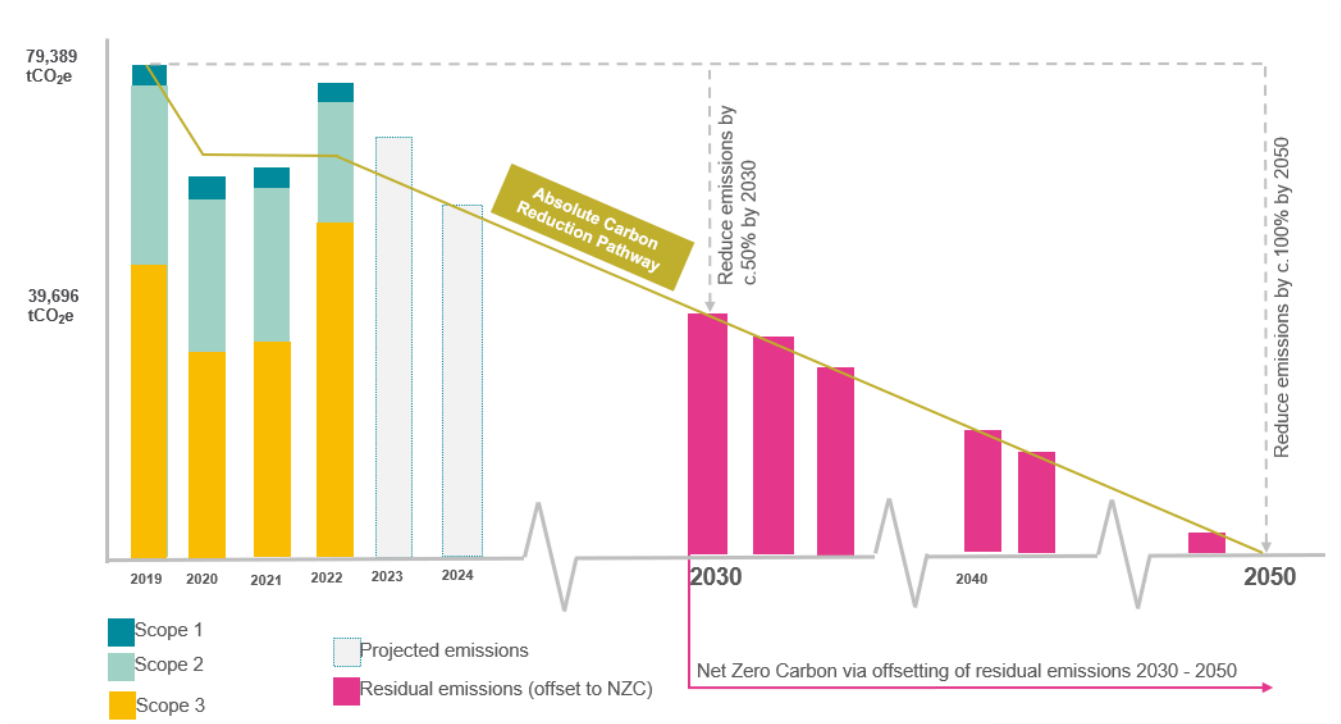
**Emissions reduction targets**

In order to continue our progress to achieving Net Zero Carbon, in 2021 we developed the following interim carbon reduction targets.

- Reduce our carbon emissions related to Business operations by 50% from our baseline by 2030.

<sup>4</sup> Including Carbon dioxide (CO<sub>2</sub>); Methane (CH<sub>4</sub>); Nitrous oxide (N<sub>2</sub>O); Hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF<sub>6</sub>) and Nitrogen Trifluoride (NF<sub>3</sub>) emissions have been omitted as they are not material sources of greenhouse gases for the Corporation.  
<sup>5</sup> Currently this figure only reflects Northern Trust water purchased. The carbon emission is calculated using the Department for Environment, Food and Rural Affairs (DEFRA) UK emission factors and a value of water supply and treatment. For more details, please refer to Northern Trust's 2022 GHG statement.  
<sup>6</sup> This includes, air, car rental, hotel stays, rail (partial), and shuttle. Car rental was a new addition to Category 6.

Our expectations with respect to progress toward these targets when they were established can be seen in the graph below:



## Carbon Reduction Projects<sup>7</sup>

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline:

- LED lighting projects
- HVAC control upgrade
- Lighting monitor control
- Pipework insulation
- Operational HVAC controls upgrade (timeclocks, temperature setbacks, etc.)
- Electric vehicle chargers
- Timeclocks on electrical boards
- Exterior lighting upgrade

### Management Measures

- Began implementing Energy Management System (ISO 50001) and (ISO 14001) in our EMEA sites from 2023 and in our North American sites in 2024.
  - Work is underway in both regions to become certification ready.

<sup>7</sup> The completion of these capital projects does not imply exclusivity within our portfolio as numerous offices within our portfolio already utilize these systems.

The carbon emission reduction achieved by these measures equate to 728 MtonCO<sub>2</sub>e, a c.1% reduction against the 2019 baseline.

In the future, we hope to implement further measures such as:

- 100% use of renewable energy (or equivalent) in all locations
- De-gassing our real estate portfolio heating systems
- Installing renewable energy technologies including photovoltaics (PV)
- Upgrading HVAC systems with market-leading technologies to better match occupancy and demand
- Electrifying company-contracted shuttle fleet
- Eliminating single use plastics from our premises

## Forward-Looking Statements

This document may include statements which constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified typically by words or phrases such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “likely,” “plan,” “goal,” “target,” “strategy,” and similar expressions or future or conditional verbs such as “may,” “will,” “should,” “would,” and “could.” Forward-looking statements include statements, other than those related to historical facts, that relate to Northern Trust’s GHG emissions and the implementation of, and execution on, plans related thereto. These statements are based on Northern Trust’s current beliefs and expectations of future events or future results and involve risks and uncertainties that are difficult to predict and subject to change. These statements are also based on assumptions about many important factors, including the factors discussed in Northern Trust’s most recent annual report on Form 10-K and other filings with the U.S. Securities and Exchange Commission, all of which are available on Northern Trust’s website. We caution you not to place undue reliance on any forward-looking statement as actual results may differ materially from those expressed or implied by forward-looking statements. Northern Trust assumes no obligation to update its forward-looking statements.

## Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>8</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>9</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with Streamline Energy & Carbon Reporting (SECR) requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>10</sup>.

This carbon reduction plan has been approved and signed, on behalf of the Northern Trust Corporation, by:

Kimberly Evans, EVP and Head of Corporate Sustainability, Inclusion and Social Impact, Northern Trust

---

<sup>8</sup> <https://ghgprotocol.org/corporate-standard>

<sup>9</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>10</sup> <https://ghgprotocol.org/standards/scope-3-standard>