

ENGAGEMENT POLICY

2025



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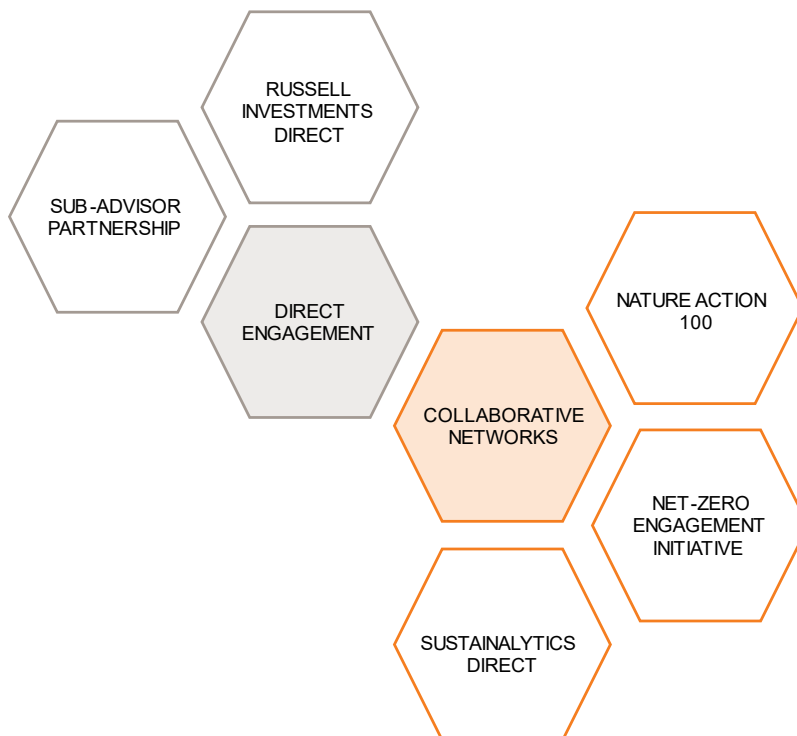
At Russell Investments, being an active owner is an important component of our investment responsibilities. As part of our stewardship approach, we actively engage with companies on key areas such as board composition, capital allocation, and sustainability practices while advocating for effective risk management. By fostering ongoing dialogue, we gain deeper insights into the risk and return profiles of our investments and work to drive positive change on critical issues that influence long-term sustainable value creation and shareholder rights, ultimately benefiting our clients as the end beneficiaries of our investments.

Our engagement efforts are coordinated by our Active Ownership Team and overseen by Russell Investments' Active Ownership Committee, which is comprised of senior investors with diverse expertise and perspectives. This governance structure ensures that our stewardship activities align with our broader investment goals and values. We execute an integrated approach, incorporating insights from our global network of investment professionals and leveraging the expertise of our multi-asset and multi-manager platform. Our extensive relationships, including those with sub-adviser partners, enhance our ability to influence corporate practices and enable meaningful engagement at multiple levels. These partnerships not only strengthen our advocacy efforts but also create a dynamic feedback loop that enriches our active ownership processes and promotes informed decision-making.

Approach to engagement

Ongoing dialogue with companies is a cornerstone of our responsible investing strategy. Our approach to engagement focuses on building a mutually beneficial, long-term relationship with the investee companies while helping them set a strategic direction that integrates sustainability and responsible business practices.

Our unique business model and service capabilities enable us to adopt a multi-channel approach to stewardship. This approach allows us to engage directly with issuers, collaborate with our sub-adviser partners, and participate in broader, collaborative engagement initiatives with third-party market participants. To ensure clarity and focus, we categorise our company-level engagement activities into two key areas:



Source: Russell Investments, for illustrative purposes only.

These channels collectively offer a robust framework for engagement opportunities. We use these avenues strategically, selecting the channel which provides the optimal access to a target company, issue-specific expertise and the greater potential for a positive outcome on a case-by-case basis. Direct dialogue with corporate securities issuers remains the primary activity across all channels.

Engagement in practice

Direct engagement

Russell Investments direct

Russell Investments directly engages with holding companies as a fundamental part of our responsible investing process. We proactively initiate dialogue with companies to address key issues, and we also respond reactively to controversies that pose significant financial and reputational risks.

Engagement selection

Russell Investments identifies engagement target companies through a systematic process that is applied across all holdings. Our efforts are centered on key engagement focus areas, outlined below, which represent material risks and opportunities for returns. In addition to these focus areas, the following criteria are considered when selecting engagement targets:

- **Russell Investments' ownership stake** as percentage of shares outstanding and/or weight of fund exposure.
- **Proxy voting history** and management responsiveness to shareholder concerns.
- **Sustainability risks analysis** performed in-house and by third-party vendors of ESG metrics focusing on subindustry peer comparison and ESG-related controversies.
- **Glass Lewis' research** and analysis.
- Knowledge gleaned from **previous engagement activity**.
- Opportunities and risks highlighted by our sub-advisers.
- Fund level sustainable objectives.

Our internally led company engagements are often initiated on the back of voting activity, particularly votes that have been referred to the Active Ownership Committee for internal analysis and debate. These referred votes arise when a proposal cannot be addressed by our custom voting guidelines, including ESG-related issues, where the Active Ownership Committee scrutinises the vote on a case-by-case basis.

Engagement targets are finalised using the input and insights of our portfolio management teams and approved by Russell Investments' Investment Strategy Committee.

Sub-adviser partnership

Given our position as a multi-asset manager of managers, we leverage our relationships with our sub-advisers to ensure an informed and integrated approach to active ownership. Sub-advisers are hired to fulfill targeted, value-enhancing roles in our portfolios, and their close, day-to-day contact with investee companies means their insights and recommendations are a key contribution to our engagement and voting processes.

We view our sub-adviser relationships to be a strategically important component of our stewardship programme. Our portfolio managers seek input from our sub-adviser partners when selecting engagement priorities, and these discussions help to validate the potential benefit of an engagement and refine our approach. In consultation with our sub-adviser partners, we assess whether joint outreach or separate yet aligned efforts would be more effective. Opportunities identified by our sub-advisers might result in partnered engagement efforts, Russell direct engagements with sub-adviser input, or reinforce engagement efforts that are already underway.

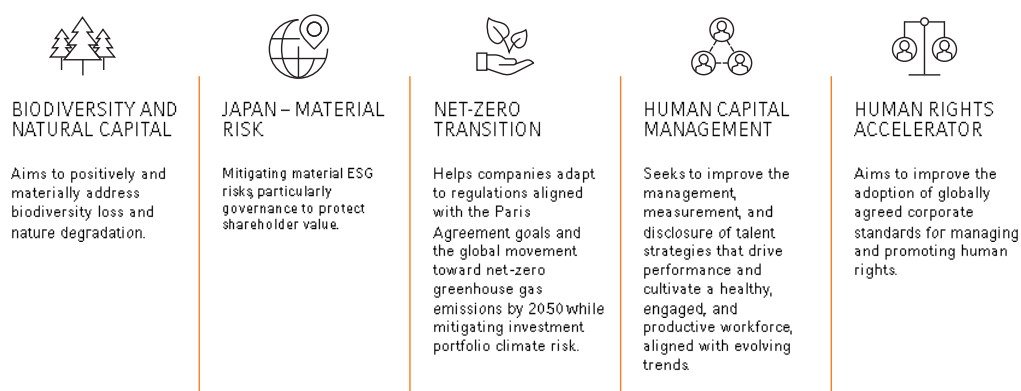
Collaborative networks

Sustainalytics direct

Russell Investments' partners with Sustainalytics for collaborative engagements. Sustainalytics' thematic engagement programmes enable participants to build relationships with a selected set of issuers and to encourage action that promotes long-term value. Russell Investments has selected engagement themes that align with our focus areas while leveraging Sustainalytics' expertise and access to increase the likelihood of success. Our investment professionals actively participate in calls with the targeted companies across all themes, ensuring direct involvement in the engagement process.

Sustainalytics themes covered the following five topics and objectives:

We have signed on to 5 themes that target between 30 and 100 companies each. We can influence the selection of companies and have the option to actively join engagements.



Source: Russell Investments, for illustrative purposes only.

Policy advocacy and collaborations

At Russell Investments, we play an active role in sustainability and responsible investing through involvement in organisations that advocate for sustainable operating and investment practices. Our involvement with these groups extends our influence beyond the companies in which we invest. Since 2009, we have aligned our investment approach with the Principles for Responsible Investment (PRI), incorporating its six key principles, including those focused on collaborative engagement. Collaborative engagements allow us to enhance our leverage and legitimacy, pursue investment goals, and share information with other investors and stakeholders. Furthermore, discussions with non-affiliated market participants, such as industry forums, lead to a deepened understanding on the drivers of shareholder value and rights. In addition to our PRI commitment, we are also signatories or members of several other advocacy groups dedicated to advancing responsible investment practices:

- Institutional Investors Group on Climate Change (IIGCC)
- Responsible Investment Association Australasia (RIAA)
- Nature Action 100
- Carbon Disclosure Project (CDP)
- Investment Association (IA)
- Investment Company Institute (ICI)
- Securities Industry and Financial Markets Association (SIFMA)
- The Net Zero Asset Managers Initiative (NZAMI)
- Transition Pathway Initiative (TPI)
- Investors Against Slavery and Trafficking (IAST) APAC
- Investment Consultants Sustainability Working Group - ICSWG (US)
- Sustainable Trading
- Department of Labor (DOL)

Engagement focus areas

At Russell Investments, the key to a successful engagement programme is identifying and pursuing activities which offer the highest return or risk mitigation opportunities. To this end, Russell Investments' Active Ownership Team strategy is focused on financially material issues under the general categories of environment, social, and governance. While we recognise that a broad set of issues are worthy of shareholder attention, we believe that identifying engagement focus areas supports accountability and successful outcomes.



Governance

Good corporate governance is essential for ensuring that a company operates in a responsible, transparent, and ethical manner. It establishes the framework through which a company is directed and controlled, balancing the interests of shareholders, management, and other stakeholders. Through our engagement programme we seek to ensure that issuers exhibit strong governance practices that promote accountability, transparency, and fairness, ensuring that they operate with integrity and in the long-term interests of all stakeholders. To do so we focus on the following key areas:

Responsible AI and Digitalisation	Board Composition	Shareholder Rights	Executive Compensation	Transparency	UNGC Compliance
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Natural capital management

Overuse or misuse of natural resources can expose a company to potential operational, financial, and reputational risks. It is important for companies to be responsible environmental stewards and enact management programmes and transitional policies to safeguard the use of these resources for the long-term. Companies should display an understanding of environmental resource use across their businesses and demonstrate responsible management of these by implementing sound and sustainable environmental practices across the business value chain.



Human capital management

Human capital management includes how companies attract, develop, and retain talent while fostering employee engagement. It's a material factor for all companies, and we expect meaningful, comparable disclosure. Companies excelling in human capital are more resilient, attract top talent, and remain competitive. Poor management, however, leads to higher turnover, lower productivity, increased costs, and loss of competitiveness. In this area, we prioritise DEI, recognising that diversity enhances business performance, driving long-term shareholder value. Lack of disclosure in this area limits investors' ability to assess culture and prevents employees from understanding their company's approach to equality and inclusion. Companies must clearly demonstrate how they recruit, promote, protect, and retain a diverse workforce.



Climate change resilience

We recognise climate change as one of the defining, global challenges of this generation and as a material investment issue across regions and industries. We look to thoroughly understand the implications of climate change for investing, to research robust and thoughtful solutions, and to provide our clients with the information they need. To this end, we expect companies to provide a level of transparency that helps investors understand how they may be impacted by climate-related risks and opportunities, and how they have accounted for climate change into their strategy.



Human rights


Human rights focus on how companies protect the rights and dignity of employees, suppliers, and communities. It's a key factor for all companies, and we expect transparent, comparable disclosure. Companies that prioritise human rights build trust, enhance their reputation, and ensure long-term stability. Violations, however, can result in reputational damage, legal risks, loss of confidence, and loss of business. We focus on human rights across supply chains and operations, recognising their role in business sustainability. Lack of transparency limits investor assessment and exposes companies to significant risks. Companies must show how they address and manage human rights risks.


Engagement tracking and escalation


Categorisation of engagement activity


Russell Investments recognises that addressing risk and return through stewardship can be a long-term process, with no guaranteed straight path to success. To manage this, we have developed a tracking programme to monitor the progress of each engagement objective, including the relevant focus area and the goal of each outreach. Once underway, engagement activities are tracked for progress against these outcomes. Engagements remain 'ongoing' as long as we assess that progress can be made. Ongoing actions can include early-stage conversations that result in raised awareness, as well as companies that have moved toward implementation of a revised strategy. While we do not set a fixed timeline for escalating or closing engagements, we aim to resolve most issues within a three-year period.

ENGAGEMENT ONGOING

-  Initial communication sent to the company

-  Engagement dialogue established

-  Company demonstrates increased understanding of concerns

-  Company commits to address issue(s) and has developed a strategy

ENGAGEMENT RESOLVED	
Current strategies deemed appropriate following dialogue and review	Company changed practices to address the issue
ENGAGEMENT DISENGAGED	
Company did not respond to inquiries or declined to dialogue on the issue	Company was unable or unwilling to commit to change to address the issue
ENGAGEMENT WITHDRAWN	
Engagement paused due to a decrease in ownership	Issue(s) no longer relevant due to material change (including corporate action or regulatory conditions)

Source: Russell Investments, for illustrative purposes only.

Annual review of engagements

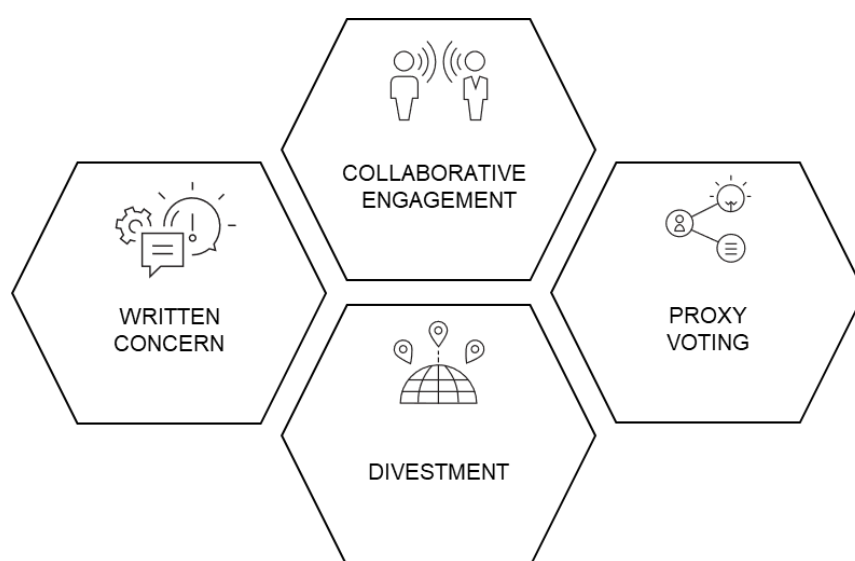
The Active Ownership Team reviews engagements and outcomes on a regular basis to determine whether an engagement should be resolved, disengaged, or escalated. When a company repeatedly fails to respond to our outreach and/or does not advance along a path of implementation, the Active Ownership Team will determine whether to move that effort into escalation or maintain the company in a monitoring watchlist, which will involve more robust scrutiny and frequent dialogue with the relevant sub-adviser to justify holding. A "Withdrawn engagement" refers to an engagement that is discontinued before a resolution is reached. This may occur due to changes in ownership levels, corporate actions, or other strategic decisions that lead to the cessation of active engagement efforts.

Avenues of escalation

We have several avenues for escalation, including enhanced dialogue with sub-advisers and other market participants, that results in coordinated or collaborative engagements, sharing concerns in writing, and/or adverse proxy voting on related items.

It is uncommon for Russell Investments to pursue other rights such as public campaigns, filing shareholder resolutions, nominating directors, or to taking legal action. However, we remain open to seeing how our programme evolves based on the outcomes of our efforts through time and client expectations.

Lastly, Russell Investments' position as a manager-of-managers means that we do not make investment or divestment decisions on behalf of our sub-adviser partners. Moreover, we hold that continued engagement is likely to be more effective than divestment or exclusion. As a result, divestment is currently not a frequently used escalation strategy. The escalation strategies to be applied are assessed on a case-by-case basis and not following a particular order:



Source: Russell Investments, for illustrative purposes only.

Conflict of interests

At Russell Investments, we maintain a governance framework that is designed to ensure a coordinated and consistent approach to the management of conflicts of interests across all regions in which it operates. Good stewardship and behaving with non-negotiable integrity are at the heart of Russell Investments' values.

The Russell Investments Conflicts of Interest Policy disclosures detail the circumstances that may give rise to conflicts of interest in the operation of its business, the supplemental policies, as well as the procedures that are in place to manage all potential or actual conflicts of interest in the best interests of its clients. This policy has a direct link to ensuring effective stewardship of our clients' assets.

Our disclosures in respect to our Conflicts of Interest Policy are available here and are made available to all of our clients.

Conclusion

Guided by our role as fiduciary of our client's assets, we have established engagement as a strategic component of our stewardship and active ownership activities. Our engagement practices are grounded in the conviction that sound business practices can foster sustainable value creation. Building a constructive dialogue, encouraging more transparency, and promoting continued improvement of environmental, social, and governance practices underpins our responsible investing approach and supports the creation of value for our clients.

QUESTIONS?

Visit russellinvestments.com

ABOUT RUSSELL INVESTMENTS

Russell Investments is a leading global investment solutions partner providing a wide range of investment capabilities to institutional investors, financial intermediaries, and individual investors around the world. Since 1936, Russell Investments has been building a legacy of continuous innovation to deliver exceptional value to clients, working every day to improve people's financial security. Headquartered in Seattle, Washington, Russell Investments has offices worldwide, including Dubai, London, New York, Paris, Shanghai, Sydney, Tokyo, and Toronto.

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