Russell Investments

2025

Global investment stewardship report:

Policy, governance, and client-focused disclosure

Invest without boundaries®

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This report is structured in alignment with the UK Stewardship Code and reflects relevant principles of the Japan and New Zealand Stewardship Codes.

A. Our organization, investment beliefs, clients and stewardship aproach

- **Japan Stewardship Code – Principles 1, 2**
- **New Zealand Stewardship Code – Principles 1, 6**

Our organization and purpose

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. The firm has $377 billion in assets under management (as of 12/31/2025) for clients in 31 countries. Headquartered in Seattle, Washington, Russell Investments has offices in 17 cities around the world.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates Management, L.P., with a significant minority stake held by funds managed by Reverence Capital Partners, L.P. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.

Russell Investments is a global investment solutions partner serving institutional, intermediary, and individual clients. We address clients' financial challenges through flexible, multi-manager and open architecture solutions designed to manage risk and deliver investment outcomes.

This approach fuels our growth and innovation and draws on our expertise in:

Source: Russell Investments, illustrative purposes only.

Our stewardship approach is aligned with client objectives through disciplined investment processes, risk management, and a focus on long-term value creation.

Culture and values

At Russell Investments, our culture is guided by principles that underpin disciplined decision-making and a focus on client outcomes. These principles are reflected in our corporate values and how we operate as a firm.

- **Our clients' interests are paramount**
  We put clients at the center of everything we do. Their success drives ours.
- **We are passionate about investing**
  We challenge convention to deliver better investment outcomes. We rely on deep research, diverse expertise, and strong partnerships to make it happen.
- **Our people drive our success**
  We are a high-performance culture. We grow by sharing knowledge, learning from each other, and solving complex challenges together. Curiosity, collaboration, and care shape how we work.
- **We behave with non-negotiable integrity**
  Every decision we make is grounded in trust, accountability, and purpose.

A strong culture, reinforced by diligent oversight and accountability, helps to fulfill our investment responsibilities and effective stewardship.

Operating responsibly

Our values also shape how we operate as a firm, including our approach to community involvement. Russell Investments maintains a global volunteering program in which our volunteer hours are matched, and associates receive two days each year to participate in activities of their choice. These programs sit alongside our broader focus on operating responsibly as a firm.

Investment beliefs

Russell Investments' open architecture investment approach was developed in the 1960s out of a recognition that the investment management industry lacked a robust standard of accountability for both institutional and individual investors. As a pioneer of the investment consulting industry, we sought to bring objectivity and fiduciary responsibility to every aspect of building and managing an investment program. As the architect of the first multi-manager funds, our objective was to bring resources, focus and a client-centric view to some of the most important questions investors face: the informed selection and oversight of sub-advisers, cost- and risk-aware portfolio implementation, and the creation of truly outcome-oriented investment solutions.

Multi-manager investing has risen in popularity over the years, but not all follow the same approach. We consider open architecture investing to be effective when implemented with appropriate oversight, as it supports transparency and accountability among investment managers and service providers and enables the incorporation of material financial considerations into investment decision-making.

Russell Investments has established a set of investment beliefs to provide a transparent and objective framework that facilitates an effective internal decision-making process and guides the delivery of all our investment solutions.

1. **Outcome-orientated investing**: Investment decisions are more impactful when they directly serve the achievement of client objectives, respect for client preferences, and consideration of client circumstances.
2. **Open architecture**: Independent consideration, informed diversification and intelligent implementation of the right asset classes, best investment strategies, and appropriate risk levels give investors the highest chance of success. The ability to identify skill-based and differentiated processes is a critical edge.
3. **Investment discipline**: Investors require rigorous decision-making paradigms, excellent analytical capabilities, and an ability to think and act independently to deliver superior outcomes.
4. **Effective risk management**: Real-time measurement and management of risk must be integrated into the management of portfolios and solutions to ensure well-informed decision-making.
5. **Dynamic portfolio management**: The ability to adapt to changing market conditions is critical to investment success.
6. **Specialization leads to investment decisions at the point of greatest insight**: Informed and objective assessment of investment excellence is foundational to the success of open architecture, both in selecting sub-advisers and in evaluating and enhancing internal capabilities.
7. **Independent review and control support a strong investment process**: The best investment processes incorporate objective analysis and feedback to identify opportunities to improve.
8. **Responsible investment**: Sustainability factors are considered where they are financially material to investment outcomes or where they form part of client-directed investment objectives. Active ownership is an integrated component of our investment process.

How investment beliefs inform our stewardship approach

Our stewardship approach is informed by our investment process and our understanding of client needs. We focus on issues that are financially material and relevant to long-term value creation, recognizing that stewardship activities may differ across asset classes and investment structures.

Russell Investments incorporates information, including sustainability factors as appropriate, into its investment process to promote long-term investment outcomes, and uses active ownership as a complementary tool to help deliver those outcomes. We integrate stewardship insights gathered from manager research, portfolio management, and active ownership into investment decision-making, enabling a coordinated and informed approach.

For each client, we seek to understand their overarching objectives, appetite for risk, limitations, and time horizon. Our approach aligns our solutions and stewardship activities with these parameters. For clients seeking tailored sustainability strategies, we offer customized mandates, closely monitoring and aligning outcomes with their long-term objectives.

Our approach to responsible investing reflects the following:

- **Materiality**: We analyze environmental and social factors' impact on securities across companies, industries, and regions over time.
- **Integration**: We incorporate financially relevant sustainability information into investment decisions to enhance returns while upholding our fiduciary duty.
- **Transparency**: We seek disclosures from investee companies to support informed decision-making.
- **Stewardship**: We actively engage with companies to mitigate risks, strengthen market integrity, and improve investment outcomes.

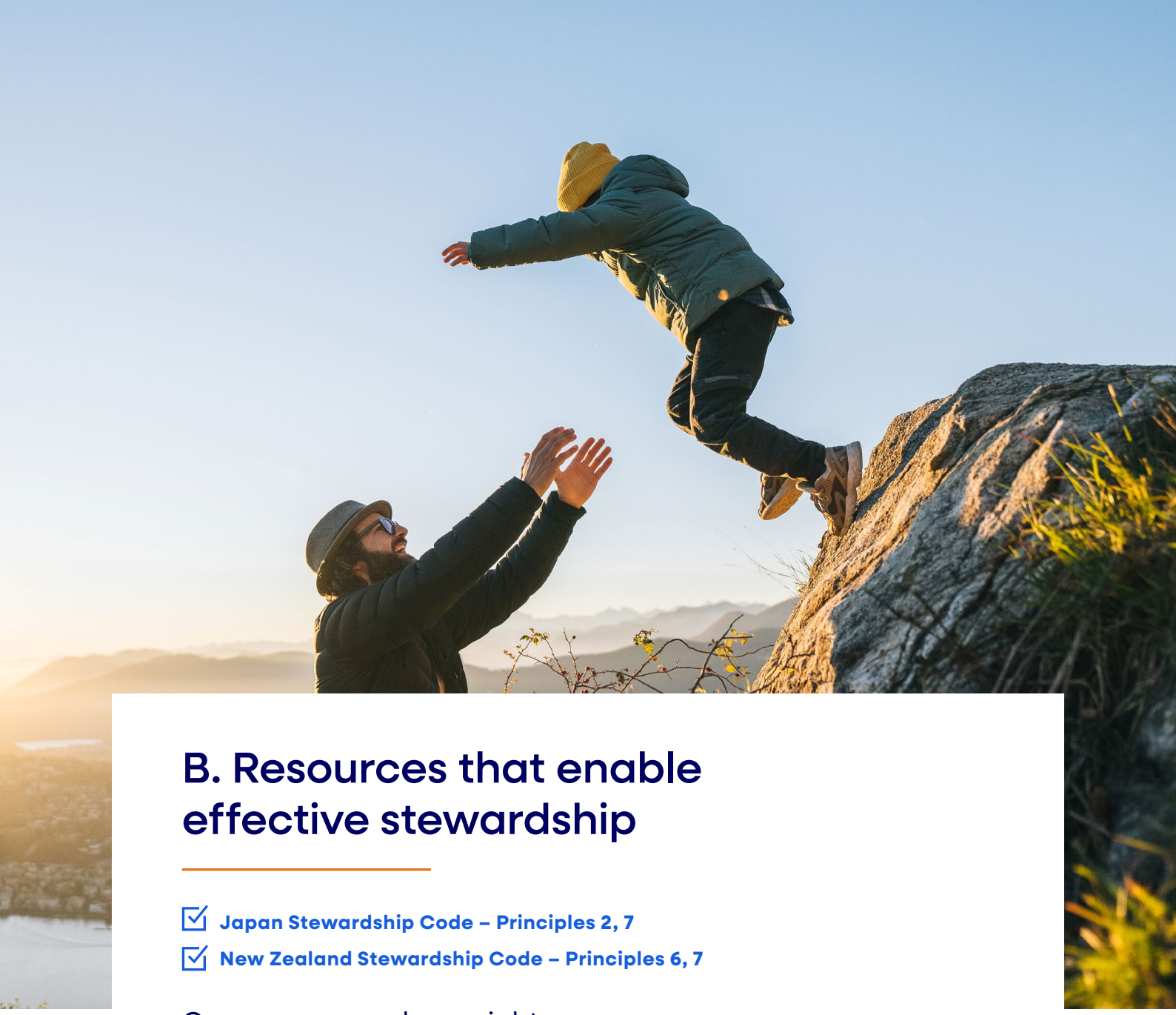
Drawing on the elements outlined above, Russell Investments has developed formal policies on responsible investing, climate change risk and sustainability risks, alongside practices that are designed to deliver an optimal balance of risk and return opportunities. These are regularly reviewed to ensure they evolve in accordance with emerging tools and market best practice. Our policies are described in section C below.

Clients and beneficiaries

Russell Investments works with clients of all sizes, from individuals and smaller organizations to large governmental entities, who require bespoke investment solutions aligned with their objectives, constraints, and time horizons.

The majority of our clients' assets are invested to meet long-term objectives, including defined benefit and defined contribution pension arrangements, insurance portfolios, and mission-driven mandates. We seek to understand each client's overarching objectives, attitude to risk, liquidity needs, and investment time horizon, and we tailor our investment and stewardship activities accordingly.

Institutional clients, including but not limited to public pensions, foundations and endowments, corporate, financial institutions, and insurance providers, make up roughly three quarters of our AUM each year, with the remainder coming from retail investors. A more specific breakdown of annual AUM can be found in the annual Global Investment Stewardship Report: Activities and Outcomes Report.



B. Resources that enable effective stewardship

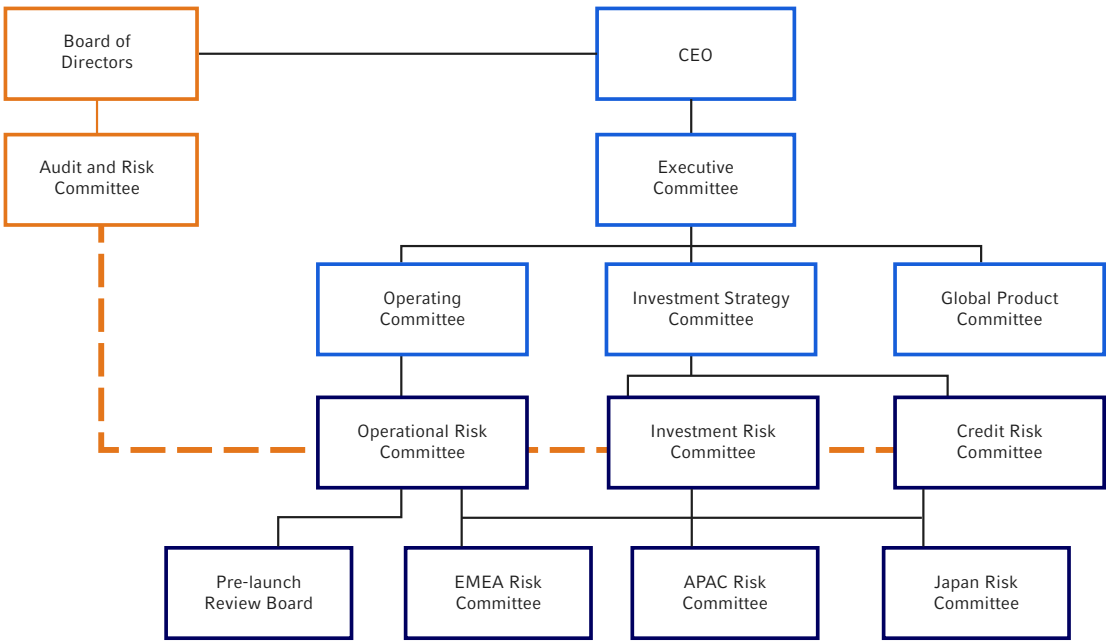
- **Japan Stewardship Code – Principles 2, 7**
- **New Zealand Stewardship Code – Principles 6, 7**

Governance and oversight

Our governance bodies and related processes are structured to promote alignment of stewardship practices with clients' best interests across investments. Stewardship is integrated within our investment management activities and supported through our governance framework. Below, we provide details of our global and EMEA governance structures and resources.

At Russell Investments, global governance is headed by our Board of Directors and Executive Committee (EC). Leadership on stewardship starts at the top of the organization and is expressed through the empowerment of a number of global committees to establish practices and oversee their faithful execution. These committees ensure compliance with global investment, risk, and stewardship standards across all regions, as well as being responsible for overseeing enhancements to our approach, in line with industry practice.

Exhibit 1: Governance framework



Source: Russell Investments, illustrative purposes only.

The EC is the most senior management group at Russell Investments and is responsible for determining the company's business strategy and overseeing its implementation. Overall direction and emphasis on stewardship is set by the EC as part of investment strategy and corporate management. The EC supports the continued development and resourcing of stewardship activities.

Beginning in the 2026 calendar year, to streamline our governance structure and reduce duplicative administrative burdens, we retired our Global Risk Management Committee and formalized the role of the Operating Committee (OpCo) as the primary escalation and oversight point for risk management practices firm wide.

The OpCo, acting in its oversight capacity, is authorized and directed to review and evaluate investment, credit, and operational risks. It provides guidance to the business units for the proper identification, assessment, monitoring, and mitigation of these risks. It is authorized by the EC, and its responsibilities relate to all legal entities and businesses operated by Russell Investments worldwide.

Rolling up to the OpCo, the Operating Risk Committee (ORC) plays a critical role in our risk management and stewardship practices. It provides an independent global authority over major areas of risk and control essential for effective management of the company. The ORC provides global oversight, with regional risk management sub-committees operating in each current business region. The ORC reviews and provides input on the firm's TCFD reporting as part of its risk management oversight. This occurs prior to submission to the Audit and Risk Committee and helps maintain Board-level oversight of climate risk.

Board oversight of climate risk

Russell Investments' Board of Directors has ultimate responsibility for the strategic priority, corporate governance, and long-term stewardship of the firm. Governance frameworks are in place to identify, assess, and manage material climate-related risks, including those relevant to investment portfolios and broader firm risk management.

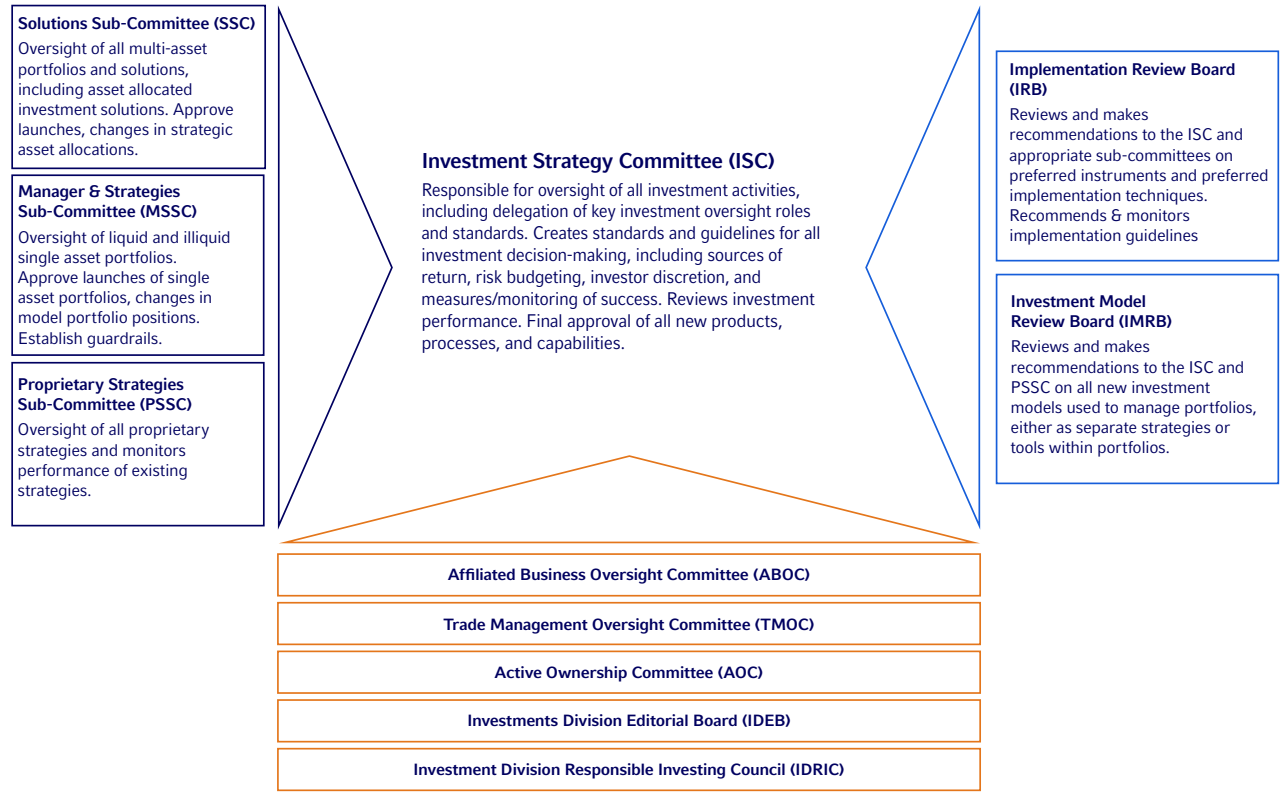
The firm's TCFD report is presented annually at the Audit and Risk Committee meeting. This provides the Board with oversight of the firm's exposure to climate-related risks. Russell Investments' Board, through the Executive Committee (EC) and Audit and Risk Committee, has delegated oversight of climate-related risks to the Investment Strategy Committee and relevant risk management committees.

Investment governance structure

The Investment Division (ID) is responsible for undertaking all investment activities for clients. The ID is governed by the Investment Strategy Committee (ISC), which is authorized by the EC to oversee investment activities, review investment performance, and establish investment policy and strategy. While relying on daily execution by sub-committees, the ISC is ultimately responsible for processes and standards of stewardship practice, with a focus on active ownership and supporting long-term investment outcomes through decision-making on allocations and risk management. As regulatory standards and industry practices evolve, the ISC seeks to continually update investment processes, including stewardship practices.

The ISC's members include our Global Chief Investment Officer, who serves as the Chairperson, and senior ID and risk professionals. The ISC retains final decision-making authority and relies on specialist sub-committees to review proposals and provide recommendations on new investment products, fund launches, and the hiring or termination of investment managers.

Exhibit 2: ISC governance framework



Source: Russell Investments, illustrative purposes only.

The groups reporting to the ISC have written charters outlining their documentation requirements, such as records of approvals, decisions, and oversight activities. Each of these groups has delegated responsibilities from the ISC, with some directly related to the faithful execution of stewardship responsibilities. Whether those duties relate to ensuring sound investment decisions on behalf of clients, verifying the rigor and appropriateness of investment analysis, or guarding against potential risks or conflicts, they underpin disciplined investment decision-making and risk management on behalf of clients.

Our governance process features performance measurement, with much focus placed on metrics that assign accountability and align with client objectives. We formally review these metrics and outcomes with the accountable parties on a quarterly cycle (and informally more frequently), and we continually revisit mandates, objectives, and performance metrics for their alignment with the mission of each group.

Every ISC sub-committee is responsible for embedding relevant stewardship practices into its governance and decision-making processes. For example, the Managers and Strategies Sub-Committee ensures that proposed portfolio structures are well-constructed to meet investment targets within risk guidelines. As part of that oversight, the committee must confirm that sub-advisers have capabilities appropriate to the mandate, including consideration of sustainability factors as applicable.

Our Active Ownership Committee (AOC) oversees a globally consistent approach to proxy voting and engagement activities. The AOC is made up of select tenured and experienced Russell Investments professionals from around the world, including portfolio managers, senior research analysts, and investment strategists. Proxy voting and engagement activities are advised by a member of Russell Investments' legal team. Policies and guidelines are reviewed and adjusted at least annually to ensure efficient implementation and alignment with best practices.

Under AOC oversight, our Active Ownership Team executes the day-to-day process, maintaining proxy voting policies, procedures, and guidelines, while implementing voting decisions and evolving our processes as needed to meet client needs and expectations. The team also works alongside our portfolio managers to direct and coordinate our engagements with public companies, our sub-advisers, and other market participants. This organizational structure, and the diverse set of participating investment professionals, ensures our active ownership function is integrated within our investment process.

Exhibit 3: Active ownership committee

Source: Russell Investments, for illustrative purposes only.

Subject matter experts embedded across our investment teams and the broader organization contribute to our integrated approach to responsible investing. Our responsible investing teams and initiatives are led by two executive sponsors, Kate El-Hillow, President and Chief Investment Officer, and Lindy Freeman, Global Head of Institutional, providing strategic direction and accountability. Two councils provide governance and coordination for our responsible investing initiatives, namely the Go-To-Market (GTM) Responsible Investing Council (GTMRIC) and the Investment Division Responsible Investing Council (IDRIC).

GTM Responsible Investing Council

Russell Investments' GTMRIC is the principal forum responsible for guiding our investment deliverables and GTM activity on responsible investing, reinforcing the development of investment solutions aligned with client needs.

The council is composed of representatives from across the firm including the investment division as well as product, marketing, legal, compliance, and client-facing teams. It is chaired by Jihan Diolosa, Head of Global Sustainable Investing Strategy.

Exhibit 4: GTM Responsible Investing Council structure

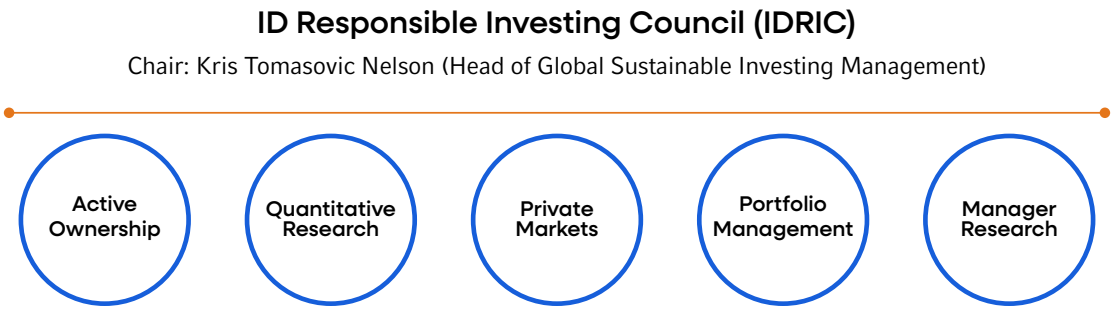
Source: Russell Investments, illustrative purposes only.

Investment Division Responsible Investing Council

Russell Investments' IDRIC is the principal forum for coordination of sustainability-related investment practices at our firm. Council members guide the Investment Division's responsible investment practice and oversee the ID's approach to sustainability-related considerations, reflecting client needs, evolving investment conditions, and regulatory requirements, while coordinating closely with the GTMRIC.

This group ensures that the data, infrastructure, and processes that enable active ownership and integration within investment decision-making. The council is chaired by Kris Tomasovic Nelson, Head of Global Sustainable Investing Management.

Exhibit 5: Investment Division Responsible Investing Council structure



Source: Russell Investments, illustrative purposes only.

People, expertise, and training

Russell Investments invests in training and development to ensure that associates maintain appropriate expertise in stewardship practices and relevant risk considerations, including sustainability and climate where applicable. Role-specific and firmwide training provides a consistent foundation for understanding and applying investment and stewardship practices across the organization.

Our investment division is organized around research, portfolio management, and implementation services, supported by specialist functions including responsible investing and active ownership. Stewardship responsibilities are shared across portfolio managers, manager research analysts, risk professionals, and dedicated active ownership specialists.

Investment professionals from a range of roles contribute to our stewardship actions in various ways, such as:

- **Manager research analysts**: Specialists responsible for assessing the sustainability integration and active ownership practices of investment managers, including how financially material environmental, social, and governance factors are incorporated into investment decisions, engagement approaches, and reporting, alongside gaining a thorough understanding of the universe of investable managers and products and making recommendations they believe offer our clients the best opportunities.
- **Portfolio managers**: Professionals tasked with strategic asset allocation, manager and strategy selection, and daily portfolio monitoring of Russell Investments' strategies, including integrating stewardship insights into portfolio monitoring and engaging with sub-advisers on material sustainability risks.
- **Implementation Portfolio Managers (IPM)**: Specialists who execute the investment decisions of the portfolio managers, ensuring the timeliness and efficiency of any changes. IPMs also ensure that overlays keep portfolios within guidelines, including exposure to relevant portfolio constraints, such as climate or ESG metrics where applicable.
- **Research and development**: This team conducts capital markets research and develops systematic investment strategies that identify and capture key sources of risk and return, including those with sustainability-related considerations such as systematic decarbonization solutions. Using advanced modelling techniques, our R&D professionals define investable universes based on specified criteria and build technologies and tools that embed analytics into investment workflows, including measures used to identify and assess sustainability-related risks and opportunities.
- **Asset allocation & investment strategy**: Members of this group lead our asset allocation research and development, including forecasting and modelling. They also research the role of emerging asset classes, such as portable alpha and overlay strategies while evaluating less traditional investment opportunities. Asset allocation specialists are responsible for identifying macroeconomic and market trends, including the potential impact of climate-related factors on markets and asset classes, and incorporating these considerations into capital market assumptions and strategic asset allocation decisions.
- **Active ownership**: Our stewardship specialists implement proxy voting policies, procedures, and decisions, and lead our engagement program, including setting objectives, monitoring progress, and coordinating escalation with a broader group of investment professionals.
- **Service providers**: The extent to which service providers are used and the service they provide from a stewardship perspective is covered in the *Use of external service providers* section of this report.

The collective efforts of these functions drive the development and management of solutions designed to align with our clients' return objectives while incorporating investment insights from manager research and market analysis. We value specialisation and clear accountability in these roles, while fostering a collective mindset to deliver a total portfolio solution for clients.

Associates are encouraged to pursue educational opportunities that build skills and advance their career goals. We promote participation in continuing education, such as the Chartered Financial Analyst program, as well as job-relevant coursework, licenses, and professional designations aligned with role requirements. To reinforce these efforts, we offer a generous tuition reimbursement plan for qualified courses and areas of study. In parallel,

our associate development initiatives hold managers accountable for working with their direct reports to create tailored development plans that strengthen existing capabilities and cultivate new ones.

Specific to responsible investing, both broad and role-specific training is required for key investment professionals, ensuring an appropriate understanding of sustainability-related topics, including climate where relevant, as they seek to deliver strong investment outcomes and stewardship to clients. In addition, regular trainings on capital markets, investment strategy, asset class behaviour, and portfolio management innovations are extended to client-facing teams.

Systems, tools, and analytical capabilities

Our investment decisions draw on an improving suite of data and analytical tools. Subject matter experts, including those on sustainability-related topics, quantitative analysts, technology experts, and investment professionals regularly collaborate with in-house developers to maintain a technology-enabled approach.

Manager research

We consider sustainability factors alongside traditional assessments where they are financially material to overall strategy evaluation. Since 2014, our manager research analysts have systematically assessed how effectively investment managers incorporate sustainability insights into their investment processes. This evaluation is a standard element of our due diligence across all asset classes.

Our analysts leverage both qualitative and quantitative information, drawing on external research and data from providers such as Sustainalytics and MSCI, complemented by our proprietary tools. Additionally, insights from our Annual Sustainable Investing Survey – which gathers input from a broad set of active equity, fixed income, and private markets managers – help us measure industry-wide sustainability integration trends.

Our sustainability-related due diligence covers a wide set of sub-advisers' investment and stewardship activities, as described under the four sub-categories in Exhibit 6 below. The ESG sub-rank, which is shared with clients alongside our other sub-ranks, ranges from one to five, with a ranking of three considered consistent with the peer group average.

Exhibit 6: ESG sub-scores

ESG commitment	ESG consideration	ESG implementation	Active ownership
Sustainability resources are robust and aligned with the investment process. Individuals responsible for sustainability have relevant experience and are skilled. There is a variety of high-quality data sources and tools available to investment decision makers.	Strong awareness of the risk and return impact of sustainability is evident. Breadth and depth of perspective are superior to peers. Insights are derived from primary research and are differentiated.	Sustainability insights are effectively and consistently translated into portfolio positioning. The manager can clearly demonstrate how portfolio positioning reflects the management of relevant sustainability risk and return drivers.	The transparency, quality and duration of engagement with investee companies on sustainability issues is consistently superior to peers. Success measures are clearly stated and appropriate. Where applicable, effort is made to make informed use of proxies.

Source: Russell Investments, illustrative purposes only.

Portfolio management

The breadth and depth of our research into sustainability risks and opportunities and manager strategies strengthens our assessment of how these factors may influence investment outcomes, providing greater transparency to portfolio managers and clients. While ESG ranks are assigned to all high interest and recommended strategies as part of our broader due diligence framework, they hold particular importance for strategies designed to achieve client-directed sustainability objectives.

For mandates with explicit sustainable objectives, we ensure that portfolio managers select strategies with strong sustainability integration using Russell Investments' Intent, Process, Outcome (I-P-O) framework, a structured approach that assesses credibility across three dimensions:

- **Intent** reflects a strategy's philosophy and sustainability aims.
- **Process** examines how consistently and effectively a manager integrates ESG and responsible investing practices at the fund level. A strong process is reflected in an above average ESG rank.
- **Outcome** evaluates the tangible ESG characteristics of a strategy, which differ by asset class but may include indicators such as target investment type, ESG risk measures, revenue characteristics, or carbon-related metrics.

Through close collaboration and clear documentation, research analysts and portfolio managers use I-P-O to validate the sustainable objectives and capabilities of a strategy before inclusion in our multi-manager sustainable funds. Russell Investments' portfolio managers select active managers from among those ranked highly by our manager research teams. Analysts record their assessments, including ranks, in our global proprietary database, **METRiQ**.

Throughout our portfolio management processes, quantitative analysis is used wherever data is available and robust, particularly in equities where our primary data sets include Sustainalytics' Risk Rating, Carbon Footprint, and Russell Investments' Material ESG Score. Our primary portfolio analysis tool is called **PARIS**, an acronym for Portfolio Attribution and Risk Information System. Portfolio managers utilize PARIS to better understand the interconnectivities between different types of data used in sustainable investing analysis and apply that to our risk management processes.

Active ownership

Our stewardship activities rely on a range of proprietary and third-party systems and analytical tools. These capabilities enable the monitoring of portfolios, assessment of risks, including sustainability-related risks where relevant, tracking of engagement activity, and coordination across investment teams. We use a proprietary internal engagement tracking platform, called **ENACT**, to monitor stewardship activity and outcomes across asset classes, and to share sustainability-related insights across teams.

The name ENACT was drawn from the combination of two key components of our stewardship approach: Enhanced Oversight (EO) and Active Ownership. ENACT allows investment team members to record and access the insights that are gathered during sub-adviser oversight (including EO) and from engagement activity.

Critically, ENACT maps an issuer's securities across funds, enabling coordination between fixed income and equity experts, and it serves as a timeline and progress marker for our engagement objectives. Setting and tracking explicit engagement objectives strengthens our engagement program, and we were early in implementing a process and tool for this.

The use of consistent data and analytics underpins informed decision-making and enables stewardship insights to be shared across asset classes and regions.

Use of external service providers

Russell Investments relies on selected external service providers for specific stewardship activities, including proxy research, engagement services, and sustainability-related data. These providers are

subject to ongoing monitoring and review to ensure their services meet expected standards of quality, accuracy, and timeliness. External inputs complement internal analysis and are used to inform, rather than replace, Russell Investments' stewardship judgments.

Our multi-manager business strategy requires the oversight and monitoring of external asset managers that we employ in our investment portfolios.

A description of how we hold these categories of service providers accountable is provided below.

External managers

Due diligence on external managers prior to their inclusion within our funds and portfolios is conducted at two levels by specialist teams that are independent of each other:

- Manager research analysts who sit within the Investment Division (ID) and evaluate and monitor from an investment perspective, and
- The Global Manager Operational Due Diligence (GMODD) group within the Global Risk Management (GRM) function, which is independent of the ID.

We consider it important from a risk and compliance perspective to separate the operational due diligence function, which reports up to our Chief Legal Officer, from the investment due diligence function, which reports up to our Global Chief Investment Officer. This operational review is particularly pertinent within alternative and unlisted asset classes, such as hedge funds and private market investment strategies, where transparency is lower.

The combination of our investment research and our operational due diligence research on managers aims to achieve objectives and strengthen control assurance and operational readiness. This approach helps identify and avoid managers that may expose clients to operational or portfolio risks.

Manager research due diligence

Russell Investments' manager research framework drives the selection of external investment managers for our multi-manager funds, from initial identification and recommendation through ongoing oversight, consistent with our stewardship approach. The process combines qualitative research, quantitative analysis, and technology-enabled monitoring to provide continuous insight into manager performance, investment processes and alignment with clients' long-term objectives.

Our manager research team is composed of experienced, dedicated analysts who focus solely on evaluating and monitoring investment managers. Each year, our research analysts conduct approximately 1,800 research meetings and conference calls with investment managers. These discussions remain an important source of insight into investment philosophy, portfolio construction, risk management, and organizational developments. Analysts prepare for these meetings through detailed analysis of the strategy and historical research records, and maintain regular contact with managers through follow-up calls, emails, and interim updates.

Alongside direct contact with managers, the research process incorporates quantitative due diligence and data-driven analysis to assess strategies across large universes of investment products. These tools help identify performance patterns, changes in factor exposures, and other shifts in strategy characteristics, allowing analysts to focus follow-up where deeper review or clarification is required.

The results of these assessments are captured in **METRiQ**, Russell Investments' proprietary global manager research platform, which contains research and monitoring information on more than 16,000 investment products. METRiQ provides a consistent record of analyst views, facilitates cross-manager comparisons, and connects research insights to portfolio construction and risk monitoring.

Together, these processes provide a disciplined framework for monitoring external managers and identifying changes that may affect investment outcomes or stewardship practices, helping to keep portfolios aligned to clients' long-term interests.

Stewardship service providers

In order to deliver effective stewardship, Russell Investments relies on third-party data providers, including Sustainalytics and proxy advisor Glass Lewis. The primary services we receive are detailed in the diagram below.

Exhibit 7: Details of stewardship service providers

Service provider	Service rendered	How this service contributes to RI's active ownership
Glass, Lewis & Co	Viewpoint Voting Platform	Allows Russell Investments to monitor a very high volume of voting activity and place manual votes when appropriate.
	Application of Custom Proxy Voting Guidelines	Glass Lewis applies a bespoke set of Proxy Voting Guidelines created and maintained by Russell Investments' Active Ownership Committee.
	Resolution research and analysis	Russell Investments' internal proxy analysts draw on Glass Lewis' research and analysis as one of several resources when preparing a recommendation for the Active Ownership Committee on a referred item.
Sustainalytics	Coordinate collaborative engagement partnership	Sustainalytics coordinates and leads engagement activities; Russell Investments influences and monitors Sustainalytics' Thematic engagements, as outlined in our Engagement Policy.
	Company-level ESG ratings and analysis	Our investment professionals leverage Sustainalytics' ESG risk ratings and analysis in our manager due diligence, in portfolio management and construction, and in our engagement practice.

Source: Russell Investments, for illustrative purposes only.

To ensure our process of delivering effective stewardship is of high standard, we regularly monitor and review the services of both Glass Lewis and Sustainalytics.

For proxy voting, our annual service review includes sampling and statistics from the previous year's vote activity to measure the accuracy and timeliness of the Glass Lewis research team. Members of the Active Ownership Committee also hold an annual meeting with Glass Lewis, addressing any concerns or updates regarding the services they provide.

Russell Investments has partnered with Sustainalytics as an engagement service provider because their model allows for close oversight and integration with our internal active ownership and investment processes. Our Active Ownership Team, under the oversight of the Active Ownership Committee, is responsible for the selection and monitoring of engagement themes. The team communicates regularly with Sustainalytics on the positioning of these themes, target company selection, and on progress and outcomes.

Incentives

Evaluation of relevant sustainability issues and effective stewardship forms part of the assessment of investment professionals globally. Senior portfolio managers are compensated based upon a combination of factors which encompass their success in delivering desired investment outcomes to clients, while effectively contributing to investment processes and providing suitable levels of stewardship of client assets. This includes the evaluation of sustainability and stewardship in evaluating and selecting sub-advisers, managing relevant portfolio risks, including sustainability-related risks and exposures at the total portfolio level, and contributing to our active ownership program. Portfolio managers' effective incorporation of these factors is explicitly measured, included in annual assessments, and linked to compensation.

In addition to senior portfolio managers, all associates with specific responsibilities for sustainable investing, stewardship, and climate change have annual performance goals aligned with the effective integration of these considerations into investment processes. These goals include evolving our responsible investing and stewardship practices to be in line with global standards as well as contributing to the development of stewardship practices, engagement activities, and research initiatives. Our aim is to enable the execution of robust stewardship practices that meet our clients' expectations. Success in meeting these goals is linked to remuneration.

C. Stewardship policies, processes, and review

- **Japan Stewardship Code – Principles 3, 4, 5, 6**
- **New Zealand Stewardship Code – Principles 2, 3, 4, 5**

Policy framework

Russell Investments has developed formal policies covering responsible investing, sustainability risk, engagement, proxy voting, and conflicts of interest. These policies guide stewardship practices across investment activities and are reviewed in line with regulatory developments and market practice.

We make available our current Engagement Policy and Proxy Voting Policies and Guidelines on our public website, and our Climate Change Policy, Responsible Investing Policy, and Sustainability Risk Policy can be found on the Sustainable Investing page of our regional websites.

Stewardship processes

Our stewardship processes encompass engagement, proxy voting, and monitoring activities across asset classes.

Enhanced Oversight (EO)

Portfolio managers play a central role in managing material risks across our investment solutions, whether through our active manager review process or by implementing proprietary solutions. In both cases, we combine deep analysis and practical experience. At Russell Investments, we apply a structured process known as 'Enhanced Oversight' (EO) on a quarterly basis to assess material sustainability-related risks in funds, evaluating broad themes as well as specific securities identified from:

- **Proprietary quantitative analysis**: We actively monitor material sustainability-related risks and exposures at the company and total-portfolio level.
- **Sub-adviser insights**: We ask our sub-advisers to highlight financially material sustainability issues relating to their holdings and explain how these issues are considered in their investment process.
- **Independent third-party research**: We use external research providers for company-specific and thematic sustainability insights to complement our internal analysis.

EO provides insights into portfolio exposures without relying on a rigid checklist approach, allowing risks to be assessed in a way that recognizes their breadth, complexity, and evolving nature. See Principle 1 in the 2025 Global Investment Stewardship Report: Activities and Outcomes Report for examples of how this process informs investment decisions.

For each Russell Investments-managed fund or segregated portfolio, Enhanced Oversight may result in the following actions for certain holdings, with consideration of the impact at the total portfolio level:

- Reviewing of metrics and the research behind the metrics.
- Discussion with the sub-adviser that selected the holding.
- Discussion with the Active Ownership Team to consider engagement options.

While EO was first developed for sustainably focused equity funds, the concept has been adapted for use across all asset classes and portfolios. Our fixed income portfolio managers evaluate bond-specific characteristics (e.g., our total market-value exposure, the duration remaining to maturity, and credit rating) alongside traditional risk metrics and relevant sustainability-related indicators, and work with sub-advisers to assess the risks identified.

Meanwhile, our private markets team sources sustainability-related reporting and data directly from sub-advisers under review and in funds. Materials can include our completed ESG DDQ (Due Diligence Questionnaire), the sub-adviser's ESG policy, and any other ESG reporting, such as the Institutional Limited Partners Association (ILPA) or ESG Data Convergence Initiative (EDCI) templates. If sustainability risks are identified, our private markets portfolio managers may encourage improved practices or reporting where appropriate.

Engagement

Engagement is a core component of Russell Investments' stewardship approach and an integral part of how we manage financially material risks and opportunities across portfolios.

Our engagement process is governed by our Engagement Policy, which sets out our objectives, principles, and escalation framework. The process described below explains how engagement operates in practice across asset classes and engagement channels.

Identifying and prioritizing engagement activity

Our engagement activities focus on financially material issues to protect long-term investment outcomes, strengthen governance and risk management practices at investee companies, and enhance transparency to inform investment decision-making. Engagement activity is prioritized through a structured, risk-based

process that focuses on issues that are financially material. See Principle 3 of the 2025 Global Investment Stewardship Report: Activities and Outcomes Report for engagement examples and outcomes.

Engagement priorities are informed by multiple inputs, including:

- Analysis of sustainability-related risks and controversies using internal research and third-party data.
- Portfolio exposure, ownership levels, and concentration across funds.
- Insights from proxy voting activity, including votes referred for case-by-case consideration.
- Sub-adviser insights and ongoing portfolio oversight.
- Client objectives and, where applicable, mandate-specific sustainability requirements.

Engagement focus areas are reviewed periodically to ensure alignment with evolving market risks, regulatory developments, and client expectations. This approach provides consistency across regions and asset classes, while allowing priorities to adapt as risks evolve.

Engagement channels and roles

Russell Investments conducts engagement through multiple channels, reflecting our multi-asset and multi-manager investment approach. Engagement may be undertaken through one or more of the following channels, depending on where influence is most effective:

- **Russell Investments-led engagement**, where our Active Ownership team and investment professionals engage directly with issuers.
- **Sub-adviser engagement,** We ask our sub-advisers to highlight financially material sustainability issues relating to their holdings and explain how these issues are considered in their investment process.
- **Third-party collaborative engagement,** where engagement is conducted in partnership with specialist providers such as Sustainalytics, with oversight from Russell Investments.

Conducting engagement

Engagements are undertaken with clearly defined objectives that are linked to identified material risks or opportunities. Engagement may involve dialogue with company management, board members, or other relevant representatives and may be conducted through meetings or written correspondence.

The nature and intensity of engagement varies by asset class. For example:

- In listed equities, engagement often focuses on governance, strategy, disclosure, and other financially material practices.
- In fixed income, engagement may occur alongside equity holdings or in connection with issuance, refinancing, or credit-specific risk assessment.
- In private markets, engagement typically emphasises governance arrangements, reporting expectations, and ongoing monitoring through manager relationships.

Monitoring, review, and escalation

Engagement activity is monitored on an ongoing basis to assess progress against stated objectives. Engagements may remain open where dialogue is ongoing and progress is being made or may be escalated where concerns persist.

Escalation options are considered on a case-by-case basis and may include enhanced dialogue, collaborative engagement, voting action (where applicable), or other stewardship tools consistent with fiduciary duties and client mandates. Not all engagements result in immediate change, and in some cases, engagement may be closed where further progress is unlikely or influence is limited.

Integration with investment decision-making

Insights gained through engagement are shared with relevant investment teams and, where appropriate, inform portfolio monitoring, manager oversight, and risk assessment. This feedback loop reinforces the integration of stewardship considerations into investment processes while maintaining a clear separation between engagement activity and individual investment decisions.

Further detail on our engagement objectives, focus areas, escalation framework, and governance arrangements is set out in our Engagement Policy.

Engagement across asset classes

Fixed income

The fixed term and contractual nature of bond investments gives bondholders a limited number of engagement opportunities with individual issuers. In most instances, these opportunities are brief in duration, occur before an investment decision must be made, are not open to all parties, and are offered at the discretion of the issuer's willingness to engage. However, repeat and frequent bond issuers have a greater incentive to listen to bondholders.

Where possible, Russell Investments conducts engagements on fixed income holdings alongside equity activity. As with our equity holdings, fixed income engagements also entail the monitoring of our sub-advisers' engagements with issuers. As bondholder engagement can provide useful information for assessing sustainability-related risks and investment considerations, we use these activities to gain greater insight into underlying companies or entities, improve corporate transparency, and inform issuer practices where possible.

Russell Investments' Enhanced Oversight (EO) process extends to fixed income holdings, reflecting a consistent approach across asset classes. In our assessment, we consider bond-specific characteristics alongside traditional sustainability risk metrics. This includes our total market-value exposure, the duration remaining to maturity, and credit rating. Combined, these metrics are used to evaluate the downside risk an issuer may be presenting within our portfolios. The Enhanced Oversight process has contributed to an increase in Russell Investments-led, fixed-income specific engagements.

At the same time, we maintain oversight of the stewardship awareness and capabilities of our underlying managers, including their efforts toward engagement. Our sub-adviser due diligence framework incorporates an assessment of the level and quality of sustainability integration and active ownership across all asset classes, including fixed income. Consideration given in this process includes, but is not limited to:

- How managers prioritize engagement activities;
- How engagement objectives are set;
- Who is involved in the engagement activities;
- How the progress is monitored;
- How engagement activity success is measured; and
- Publication of product- or asset-class specific sustainability reports where available.

Based on our monitoring activities, many of our sub-advisers are increasingly exercising proactive engagement in the context of materiality, industry, and company-specific risks, but the frequency and nature of the conversations can vary depending on the credit quality of the issuer. Although engagement activity has expanded among below-investment-grade managers, it remains more established among sub-advisers with investment-grade corporate bond mandates.

Engagement activity among high-yield managers has evolved to include a broader focus on sustainability-related risks, including climate-related factors where relevant. These managers increasingly emphasize improving transparency and hold discussions with management on corporate practices to support long-term investment value.

Private markets

Over the past decade, private market funds have adopted a broader range of sustainability and stewardship practices. In selecting private markets managers, Russell Investments recognizes that active ownership, combined with the ability to facilitate strong execution in individual portfolio companies, is important to value creation.

Private markets encompass a range of strategies, including venture capital, growth equity, buyouts and secondaries, each with distinct sustainability risk and opportunity profiles. As a result, active ownership approaches are typically tailored rather than applied uniformly across portfolios or throughout an asset's life cycle.

To overcome the challenges associated with this asset class, and to fulfill our role as an active owner, we employ the following mechanisms for active ownership in private markets:

- **Effective governance**: Governance is particularly important in this asset class, as adjusting ownership terms after the initial investment is challenging. Therefore, governance practices and expectations are addressed upfront, with a focus on fostering a long-term relationship with the manager.
- **Limited Partner Advisory Committee (LPAC) seats**: Where possible, we seek LPAC seats to gain transparency, and for smaller investments we aim for 'observer status'. Given the inherent opacity of private markets, these interactions help improve the transparency we provide to our investors.
- **Voting**: We actively participate in voting matters, recognizing that adjustments to documentation – such as the addition of new investors or changes to Key Person provisions – often require LPAC or investor approval.
- **Engagement and monitoring**: Given the limited availability of data in this market, insights gained through regular engagement with managers and other investors are an important way to increase visibility. Using side letters to require and encourage disclosure and reporting on material sustainability-related issues is another important tool used in this process.

Proxy voting

Proxy voting is a stewardship tool through which Russell Investments exercises voting rights on behalf of clients. Our proxy voting process is designed to promote sound corporate governance, protect shareholder rights, and ensure that voting decisions are made independently, consistently, and in the best interests of clients and beneficiaries.

Our approach to proxy voting is governed by our Proxy Voting Policy and implemented through custom Proxy Voting Guidelines, which set out how votes are assessed, executed, and reviewed. See Principle 4 of our 2025 Global Investment Stewardship Report: Activities and Outcomes Report for voting activity and case studies.

Governance and oversight

Oversight of proxy voting activity sits with the Active Ownership Committee, a committee made up of senior investment professionals from our offices around the world. The Committee is responsible for approving proxy voting policies and guidelines, reviewing and voting on referred voting items, and overseeing the integrity and effectiveness of the voting process, with legal oversight provided by Russell Investments' Legal and Compliance functions.

Day-to-day execution of proxy voting is delivered by the Active Ownership team and internal proxy analysts. This governance structure allows proxy voting to be embedded within the investment process while remaining subject to appropriate independence and controls.

Proxy voting guidelines and policy framework

Russell Investments maintains a set of bespoke Proxy Voting Guidelines that reflect our fiduciary duties and expectations of good governance. The Guidelines are designed to be principles-based rather than purely mechanical, allowing for consideration of issuer-specific circumstances and market practices.

The Guidelines are reviewed at least annually to ensure alignment with evolving regulatory requirements, market standards, and stewardship priorities. Where appropriate, updates are made to reflect emerging risks, changes in governance best practice, and feedback from investment teams and stewardship oversight.

Vote analysis and decision-making

Most proxy voting decisions are executed in accordance with Russell Investments' Proxy Voting Guidelines through our appointed proxy administrator. Where a proposal is not covered by the Guidelines, raises complex or material considerations, or requires additional scrutiny, the item is referred for internal review.

Referred items are assessed on a case-by-case basis, drawing on any of the following:

- Internal analysis by Russell Investments' proxy analysts.
- Research and analysis from external proxy advisers.
- Relevant sustainability-related and governance insights from third-party data providers.
- Input from sub-adviser managers.
- Information from the Active Ownership team, when there has been a prior direct, Russell-led engagement.

The Active Ownership Committee considers these inputs when determining the voting decision, ensuring that votes are cast in a manner consistent with fiduciary duty and stewardship objectives.

Execution and monitoring

Russell Investments appoints an external proxy administrator to execute votes and manage operational processing. Voting activity is monitored internally to ensure that votes are cast accurately and in accordance with approved Guidelines and Committee decisions.

Oversight includes periodic review of vote execution, operational controls, and service quality. This monitoring framework reinforces the integrity, timeliness, and accuracy of proxy voting across markets.

Asset-class considerations and limits of voting rights

The ability to exercise voting rights varies by asset class and market structure. Proxy voting is primarily relevant for listed equity holdings. For other asset classes, such as fixed income and private markets, stewardship influence may instead be exercised through engagement, contractual rights, or governance mechanisms specific to those investments.

Where voting rights are limited or unavailable, Russell Investments seeks to apply consistent stewardship principles through alternative means, while remaining transparent about the constraints associated with different investment structures.

Managing conflicts of interest

Russell Investments recognizes that proxy voting may give rise to potential conflicts of interest, particularly where investee companies have other relationships with the firm or its affiliates. Proxy voting decisions are therefore subject to the firm's global Conflicts of Interest Policy and associated governance framework, which are designed to safeguard independence and focus decision-making solely on the best interests of clients and beneficiaries.

Separately and in combination, the structure of the Active Ownership Committee, documented voting procedures, and use of external proxy administration help deliver consistent and impartial execution of voting decisions. Further detail on how conflicts are identified, escalated, and managed is set out in the Management of stewardship-related conflicts of interest section of this report.

Integration with stewardship and review

Proxy voting is integrated with Russell Investments' broader stewardship approach, including engagement and portfolio oversight. Voting decisions may inform future engagement priorities, and engagement insights may be reflected in voting analysis when material.

Proxy voting policies, processes, and controls are reviewed regularly as part of our broader governance and assurance framework. Further detail on our proxy voting approach, including policies, guidelines, and activity is available on our website.

Carbon managed portfolios

When requested, Russell Investments collaborates with clients to build mandates which explicitly target specified climate-related outcomes. These strategies are often designed with a carbon-related target such as a 25% or 50% reduction in weighted average carbon intensity (WACI) or reduced exposure to fossil fuel reserves.

Where mandates are designed to meet Net Zero objectives, Russell Investments draws on the Net Zero Investment Framework (NZIF) in constructing and measuring Net Zero aligned portfolios. The NZIF includes multiple portfolio targets that provide a comprehensive, flexible, and effective approach for aligning investment portfolios with net zero emissions goals. A multi-target approach reflects the complexity of climate-related portfolio design with and across asset classes.

Net Zero-aligned portfolios track four primary metrics for progress against climate goals:

1. **Asset alignment:** measures the percent of underlying holdings classified as "aligned or aligning to net zero by 2050 emissions."
2. **Emissions:** measures the portfolio's percent reduction in Weighted Average Carbon Intensity (WACI) versus a baseline year, typically 2019.
3. **Engagement:** measures the percentage of underlying holdings classified as either "aligned to net zero by 2050 emissions", or subject to ongoing engagement dialogue.
4. **"Other"**: assesses the thermal coal exposure in the portfolio.

We monitor these indicators via an internal Net Zero dashboard, which tracks the progress of each underlying fund or account in scope for net zero alignment. Net Zero funds' progress against targets are monitored by the IDRIC and reported to the ISC.

Recognizing that client preferences and markets change, we continuously examine and enhance the capabilities and tools that support our climate-oriented solutions.

Policy review and continuous improvement

Stewardship policies and processes are reviewed regularly to ensure they remain effective and aligned with regulatory requirements, client expectations, and evolving market practice. Internal audit, governance oversight, and feedback from stakeholders contribute to continuous improvement.

Russell Investments' policies cover relevant aspects of our investment and business practices, including our stewardship approach. We maintain specific policies on voting, engagement, climate risk, sustainability risk, and responsible investing, which are reviewed at least annually by the relevant investment and control functions. Our Compliance and Legal teams continually review the regulatory landscape and add and refresh policies to ensure we are up to date with regulatory requirements. Furthermore, these reviews help assess alignment with market practice.

Our governance oversight combines formal and informal feedback loops. Metrics are generated on a range of ongoing practices; these metrics are calculated regularly for items that are subject to ongoing review such as performance assessment, portfolio risk exposures, compliance guideline reporting, and productivity metrics.

In addition to regularly reviewed reports, ad hoc studies are conducted from time to time. These reports and studies encompass a broader set of data over a range of time periods and are typically focused on a particular aspect of our investment process that we are seeking to assess and improve.

When undertaking analysis, we aim to use the same underlying data and metrics that inform our investment decision-making and policy review process, that we use for client reporting and submissions to regulatory bodies. This alignment helps ensure that our evaluation and reporting practices for both internal and external uses are fair and accurate.

Internal audit

In addition to continuous reviews and feedback loops, an independent Internal Audit (IA) team undertakes a rolling agenda of review on a range of key investment activities. The purpose of Russell Investments Group Internal Audit function is to provide independent and objective assurance and consulting services designed to improve the organization's controls and operations. Internal Audit accomplishes this by providing risk-based and objective assurance, advice, and insight to enhance and protect organizational value. Internal Audit helps the organization accomplish its objectives by bringing a systematic, disciplined approach to test, evaluate and improve the effectiveness of governance, risk management and control processes.

The Russell Investments Group Internal Audit function utilizes a risk-based approach in developing the annual audit plan. The audit universe of key processes is assessed to focus the audit plan on the areas of highest risk. Any issues identified by Internal Audit require management action plans (MAPs) and are tracked to resolution by Internal Audit. The status of open issues is regularly reported to relevant boards and audit committees. Internal Audit validates resolution to close issues identified.

The IA process involves a structured assessment of key processes and risks, including detailed testing of mitigating controls across the organization. These audits are designed to assess if systems and procedures are effective, efficient and function as designed, thereby helping to reinforce that:

- risks are appropriately identified and managed;
- quality and continuous improvement are fostered in the organization's control process;
- significant financial, managerial, and operating information is prepared accurately and reliably; and
- resources are adequately protected.

D. Management of stewardship-related conflicts of interest

☑ **Japan Stewardship Code – Principle 2**

☑ **New Zealand Stewardship Code – Principle 7**

Identifying and managing conflicts

At Russell Investments, we maintain a governance framework designed to safeguard a coordinated and consistent approach to the management of conflicts of interest across the regions in which we operate. Our culture, guided by the Global Code of Conduct, recognizes the fiduciary duties we owe to our clients and is intended to place client interests ahead of the firm's interests and the personal interests of associates. As a fiduciary, we seek to eliminate or mitigate conflicts of interest and disclose material conflicts to clients as required.

The Russell Investments Global Conflicts of Interest Policy provides guidance for identifying and handling actual and potential conflicts of interest in the operation of the business, and each region has a supplemental policy to meet local jurisdictional requirements. Together, our global and local policies are designed to manage potential and actual conflicts of interest in the interests of our clients. Associates are required to comply with the Global Policy but also the requirements of any applicable local conflict of interest policy in their jurisdiction.

Our Global Conflicts of Interest Policy is the responsibility of the Global Chief Compliance Officer, who administers it with the oversight of the Operational Risk Committee. It is reviewed and updated on an annual basis.

Management of conflicts

Controls used to manage potential or actual conflicts of interest include governance, segregation of duties, policies and procedures, information barriers, remuneration policies designed to reduce direct conflicts, and pre-determined approval limits requiring escalation and authorization.

A number of global and regional committees have been established to help embed conflict management in business processes. Specifically, from a global perspective:

- **The Operational Risk Committee**: oversees Russell Investments' risk management framework and administers the Global Conflicts of Interest Policy
- **Affiliated Business Oversight Committee**: oversees selection of affiliated entities for investment advisory, brokerage and other related services.
- **Global Trade Management Oversight Committee**: oversees and analyzes trading arrangements and trade execution.

At a regional level, we have implemented local conflicts of interest policies and practices which are applicable to the requirements of the local jurisdiction and business, with oversight at a local level provided by the applicable management and governance bodies.

Where organizational and administrative controls are insufficient to manage or prevent a potential or actual conflict of interest, the matter is escalated in accordance with the regional policies and procedures.

For example, for our EMEA businesses, a Conflicts of Interest Working Group has been established to assist in the management of potential conflicts with its membership comprised of associates from business line management and support functions such as Legal, Compliance, Risk and Operations. The working group considers and discusses potential and actual conflicts of interest arising in relation to Russell Investments' business activities and assesses how those conflicts are managed. If a conflict of interest cannot be managed to an acceptable level, the Conflicts of Interest Working Group identifies the client disclosures that are required. The Board of each EMEA Group Company is responsible for overseeing arrangements for managing conflicts of interest, including review of the EMEA conflicts of interest policy. All situations identified as constituting a conflict of interest, or that may potentially give rise to a conflict of interest, are documented in the relevant conflict of interest maps, which detail the organizational and administrative controls in place to manage them.

Application to stewardship activities

Specific procedures are designed to support stewardship decisions being made independently, consistently, and in the best interests of clients and beneficiaries. While the Russell Investments' Conflicts of Interest Policy does not specifically reference stewardship, various processes are designed to keep client interests central in relation to stewardship:

1. Proxy voting conflict of interest procedures

Where Russell Investments maintains the voting rights for underlying securities, it appoints a proxy administrator that acts within the guidelines set out in the Russell Investments Proxy Voting Policy. Our proxy voting policies and procedures are structured to promote voting decisions in the best interests of clients and to enable the Active Ownership Committee to address material conflicts of interest relating to voting and engagement. Further details on our Active Ownership Governance Structure can be found in the Governance of Stewardship section above.

Proxy Voting Guidelines are intended to align with relevant market practices and standards, and are applied to all votable proxy items, without exception, for issuers that currently have, or recently had, an existing relationship with Russell Investments, as either a client or vendor. Any votes that are not covered by the Guidelines, or any votes which require case-by-case review, are referred to the Active Ownership Committee for a review and vote. This process is further explained here.

For any votes referred to the Active Ownership Committee, potential conflicts of interest are addressed by (i) the committee structure itself, which requires a quorum for a final vote, and (ii) all votes submitted by committee members requiring a certification attesting that the voting member has no knowledge of any potential conflicts of interest between the client, Russell Investments and its affiliates, as well as no personal material conflicts (such as personal stock ownership).

These procedures apply to all proxy voting decisions, including those made under Russell Investments' custom Proxy Voting Guidelines and those referred to the Active Ownership Committee for case-by-case review.

2. Corporate engagement conflict of interest procedures

Structural separation – Russell Investments maintains a segregated reporting structure between active ownership and client-facing employees. Consistent with this, only ID associates engage with and provide feedback to companies.

Transparent and consistent selection process – Russell Investments uses the same process to identify engagement targets, without regard to any relationship with such parties.

Robust governance structure – Engagement activities are conducted in accordance with a framework approved by the Investment Strategy Committee, which guides the identification and pursuit of engagement targets in a manner consistent with client interests and stewardship objectives. Material conflicts of interest relating to voting and engagement are escalated to the Active Ownership Committee for review and resolution.

E. Dialogue with client and beneficiaries

- **Japan Stewardship Code – Principles 3, 4**
- **New Zealand Stewardship Code – Principles 2, 4**

Communication approach

We provide clients with information and reporting relevant to their mandates and needs. Once a client is onboarded, we seek to manage assets in line with their goals and expectations through ongoing due diligence updates and regular meetings, and we provide education and training sessions to build client understanding. Our process for client reporting combines information and knowledge from three separate groups:

- Our globally integrated Investment Division (ID), which has a vast array of core data and analytics used for investment decision-making, process monitoring, and regulatory body reporting.
- Business groups servicing our clients in each region who understand specific client reporting needs.
- Localised compliance and legal teams who review client specific reporting to ensure each report is fair, accurate, and in line with local regulatory disclosure requirements.

Data and analytics used by the investment division in day-to-day decision-making are made available to our business teams servicing clients. Depending on the area of reporting, senior members of our ID work closely with our client service teams and clients directly, to help determine the scope, frequency, detail, and format of reporting for each client and how to efficiently pull that together from our core data set. Information is scrutinized at multiple levels by senior members of the ID, including the Investment Practice Team, client service teams and by local compliance teams, before reports go to clients in specific regions.

Institutional client communication

We aim to keep clients informed about the assets we manage on their behalf. We meet with our institutional client base on a regular basis (quarterly in most cases) and, where appropriate, incorporate their views into mandate-specific investment and stewardship implementation. In addition, we provide our institutional client base with the following resources:

Training

We provide our client base with both ad hoc and scheduled training. Ad hoc training typically takes place at governance meetings, whereas scheduled training takes place in the form of in-person seminars or webinar sessions.

Quarterly OCIO investment reports

We produce bespoke client reports on a quarterly basis, providing a comprehensive view of asset performance, liabilities and funding levels. These reports include details of asset class allocation, performance attribution, portfolio positioning, and the rationale for any changes that have been made or are planned. Where relevant, our reports include key sustainability metrics – such as carbon footprint, climate risk scenario analytics, ESG risk rating and distribution and asset alignment through time. Additionally, we provide active ownership summaries, covering engagement activity, proxy voting and Russell Investments' industry participation, giving clients a clear view of stewardship efforts.

Quarterly fund sustainability reports

We introduced a more detailed sustainability report for segregated mandates containing corporate equity and bond exposures. The analytics cover carbon footprint, climate risk scenario analytics, ESG risk rating and distribution and asset alignment. For WACI and ESG risk metrics, we also dig deeper into the sector and geographic contributors. Where sovereign bonds are held but are not the majority of exposures, we include sovereign (country-level) risk scores and are looking to expand into sovereign carbon metrics in future. We also include in-depth case engagement case studies for these clients, illustrating our oversight approach.

Active ownership disclosures

Our annual Global Investment Stewardship Report: Activities and Outcomes Report provides a detailed summary of our active ownership approach, annual proxy voting statistics and observed trends. This detail includes engagement statistics and case studies as well as details of our industry collaborations.

Stewardship policies and procedures

All policies and procedures with regard to stewardship are available on our website

Annual implementation statement

We have worked with our UK institutional client base to produce an implementation statement. This is produced on an annual basis and coincides with the scheme's reporting year end. This statement reports on how the scheme has complied with the policies and objectives set out in the Statement of Investment Principles.

Retail end-consumer communication

Our Advisory and Intermediary Services teams work directly with professional advisors who, in turn, help individual investors meet their financial security objectives. Communication with retail investors therefore differs from the institutional approach above and is primarily delivered through these adviser relationships.

Information about our investment and stewardship practices, including manager research processes, sustainability tool and processes, and operational proficiency, is provided during the RFP and due diligence reviews for institutional clients and professional intermediaries. Once onboarded, the following information is available to our professional clients and their retail customers:

Training

We provide materials and host events to ensure our clients are well informed about our investment products, their performance and how they have been affected, or may be affected, by market influences. We also provide training and literature in relation to broader investment outcomes, including the potential impact of sustainability-related issues.

Fund factsheets

Fund factsheets containing key information about the fund, including performance objective, benchmark, and portfolio statistics (country weighting, volatility, etc.), are made publicly available on our website and via third-party data warehouses (e.g. Morningstar).

Key Investor Information Document (KIID)

In Europe, KIID documents are made available for all funds on our website and via third-party data warehouses and all appointed sub-distributors. The KIID details the fund's objective and investment policy, risk-reward profile, applicable charges and past performance data.

Prospectus

The fund prospectus which contains all fundamental information about the fund, its structure, any management restrictions, and a list of available share classes, is made available to all investors, and potential investors on our website, third-party data providers and all appointed sub-distributors.

Active ownership disclosures

We provide our approach to active ownership, annual proxy voting statistics and observed trends in our annual Global Investment Stewardship Report: Activities and Outcomes Report. Readers will also find engagement statistics, case studies and details of our industry collaborations.

Monthly and quarterly performance reports

In addition to the fund documentation mentioned above, live performance data is also made available to third parties, including Morningstar. We provide further information around fund management and current holdings to supplement this publicly available data. Clients with significant assets under management may also request bespoke reporting, which we would provide on a monthly or quarterly basis.

Understanding and incorporating client preferences

Our clients invest to meet objectives such as retirement, education, or mission-related goals, and we incorporate client circumstances and preferences into tailored investment solutions to meet these objectives. As a global solutions provider, we follow a structured **Design, Construct, Manage** framework to develop and implement investment strategies aimed at delivering the outcomes our clients seek. Our responsible investing practices are embedded across each stage of this process – through strategic asset allocation, market and manager research, portfolio management and active ownership capabilities.

All else equal, clients with the same objectives will be provided with the same investment solution based on our global investment ideas and insights. However, every solution starts with an understanding and incorporation of client preferences.

Design

Central to the "Design" step of our investment process is abiding by client preferences, constraints, and circumstances. We use this shared knowledge to establish clear objectives and develop an investment roadmap, or strategic asset allocation (SAA). This SAA is built around required investment returns, time horizons, risk appetite, fee sensitivity, liquidity requirements and other critical conditioning factors that determine the most appropriate mix of asset classes and return drivers.

Time horizon, for example, may have a substantial impact on the mix of assets selected and their allocations, particularly allocations to illiquid assets or return sources whose payoff may be seen as most reliable over a longer time-period (but less so over shorter horizons). Our forecasting engine provides a scenario framework that extends decades into the future and helps model asset combinations and the liabilities they seek to meet.

A standard approach in the production of capital market assumptions (CMAs) is to assume key economic and financial variables will revert over time to their long-run trend or reach some sort of "equilibrium" level. However, incorporating climate change risk into these long-run assumptions is a more complex task requiring probabilities around a range of future climate scenarios. To deliver climate-related scenario analysis, Russell Investments partners with an external specialist climate risk provider. We produce baseline CMAs that use historical long-run economic and financial data (referred to as "climate-agnostic CMAs"), and then adjust the CMAs based on different climate scenarios and their potential economic and financial impact to produce "climate-adjusted CMAs". This enables us to compare the potential portfolio impact of different climate scenarios across asset classes and exposures.

Our climate-adjusted CMAs help clients assess the impact of climate scenarios on asset allocation decisions and meet climate-related disclosure requirements, including those aligned with the Task Force on Climate-related Financial Disclosures (TCFD).

Construct

In the "Construct" step of our process, we find and utilize investible strategies that capture the desired SAA exposures, while adding excess return through superior active management. We seek to identify investment managers with the skill and process discipline to add value through security selection and active management. We believe that specialization supports strong investment decision-making at the point of greatest insight. No single firm has a monopoly on investment insight. This belief leads us to construct investment strategies with an open-architecture approach, identifying and combining the best managers and positioning strategies to populate and add value to the allocations made in the Design step.

In our open architecture approach, our manager research due diligence teams assess strategies against one another to identify those best suited to client objectives. Russell Investments' portfolio managers then select their active managers from among those ranked highly by our manager research teams, using the sustainability assessment in balance with other key criteria, while staying mindful of return targets and profile and exposure data. When constructing multi-manager portfolios with sustainable objectives from a combination of sustainable or thematic sub-adviser strategies, portfolio managers use an additional framework to validate those products against their stated sustainability objectives. This framework is referred to as I-P-O, for Intent, Process, and Outcome, described above in Section B, under *systems, tools, and capabilities*.

Manage

The objective of the "Manage" step of the process is to keep the solution on track for success by adapting to changing market environments through effective risk management and attention to efficient implementation. We use a process-driven, dynamic management approach to manage risk and seek incremental return over the course of a market cycle. We dynamically manage portfolios with this process by including both quantitative and qualitative analysis of material risks. When this analysis supports a high-conviction short-term view, we may take tactical positions.

Like market, credit, and other risks, portfolio managers seek to identify, assess, and manage financially-material sustainability risks on an ongoing basis within portfolios. Potential risks are identified using available metrics, proprietary scoring, manager reporting, and through communication with sub-advisers. As one means of addressing these risks, our portfolio managers work with our active ownership team to align proxy voting and engagement activity where appropriate.

We believe that when we combine our strong understanding of our clients' desired goals, circumstances, and preferences with the full complement of our investment principles, insights and capabilities, we can forge the best path to a successful investment outcome.

While we recognize the importance of regular communication and engagement with clients to understand their goals, objectives, preferences, and constraints, we also understand that clients' needs can change over time. To ensure we remain aligned, we gather feedback through various methods such as client satisfaction surveys, periodic reviews, and ongoing discussions. Whilst our approach does vary slightly from region to region, our methods are summarised below.

Use of client feedback

We believe that the best way to understand client needs is through regular dialogue. Feedback from clients is used to refine reporting, inform stewardship practices, and shape the development of investment solutions. This feedback loop helps to maintain continuous alignment with client needs and evolving expectations. This dialogue typically takes place at quarterly meetings and intra-quarterly as needed. In certain jurisdictions, we measure the effectiveness of the relationship through the use of key performance indicators (KPIs), such as:

- **Client satisfaction**: We ask for performance review feedback from our clients throughout our relationships.
- **Client retention**: We place a strong focus on the tenure of our clients.
- **Investment performance**: Clear articulation and setting of investment objectives based on both our understanding of and our discussions with clients.
- **Bespoke KPIs**: We often work with our clients to agree bespoke KPIs around other value-adding services that are of importance (e.g., number of face-to-face meetings).

We conduct third-party client satisfaction surveys periodically to better understand whether we are meeting clients' expectations and provide an option for clients to submit anonymous feedback and input on how they would like us to evolve our solutions to meet their changing needs.

Together, these arrangements embed stewardship across our investment platform, grounded in fiduciary duty and responsive to client needs. Further detail on our stewardship policies is available on our website, and our 2025 stewardship activities and outcomes are set out in the accompanying 2025 Global Investment Stewardship Report: Activities and Outcomes Report.

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