ENGAGEMENT POLICY

2023

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Contents

At Russell Investments, we believe that being an active owner is an important component of our investment responsibilities and a fiduciary duty. As part of our stewardship activities, we aim to engage with companies on overall business strategy, capital allocation, and environmental, social and governance (ESG) practices while encouraging appropriate levels of risk mitigation. Furthermore, through ongoing dialogue, we can better understand both the risk factors and potential return associated with the ownership of a company. Through our engagement activities, we aim to promote changes by encouraging good practices on material issues that may protect and enhance long-term sustainable value creation, shareholder rights, and ultimately, benefit our clients as the beneficiaries of our investments.

Our engagement process and activities are coordinated by our Active Ownership Team and overseen by Russell Investments' Active Ownership Committee. The members of the committee represent a broad set of senior investors to ensure a diversity of expertise and perspective. Additionally, we pursue an integrated approach that features insights and contributions from our investment professionals around the world. Finally, as a premier investment solutions partner with multi-asset and multi-manager capabilities, we leverage a broad set of relationships, including our sub-adviser partners, to exert influence and enable multiple levels of engagement. These connections also provide information sharing and serve as an important feedback loop into our active ownership processes.

Approach to engagement

Ongoing dialogue with companies is a fundamental part of our responsible investing strategy. Our engagement approach is to build a mutually beneficial long-term relationship with the investee companies and to help them set a direction of travel from an ESG perspective.

Our business model and service capabilities enable a multi-channel approach to stewardship, meaning that we engage directly with issuers, engage through and with our sub-adviser partners, and join collaborative engagement efforts with third-party market participants. Therefore, we categorize our company-level engagement activities in three ways:

Russell Investments-led engagements

Russell Investments proactively engages with holding companies as a fundamental part of our responsible investing process. Furthermore, we would also initiate dialogue with companies in reaction to a controversy or scandal which is presenting a financial and reputational risk. Our finalized option of engagement activities is a bottom-up process with numerous inputs, including level of ownership, materiality of issue, sub-adviser input, and our investment team insights.

Sub-adviser partner engagements

Given our position as a multi-asset manager of managers, we leverage our relationships with our sub-advisers to provide an informed and integrated approach to active ownership. Sub-advisers are routinely in close contact with our investee companies, so their insights and recommendations regularly contribute to our engagement and voting processes. Through dialogue, we determine whether joint outreach or separate, but aligned efforts, are more likely to be effective.

Collaborative engagements

Collaborative engagements include activities conducted with our engagement service provider, Sustainalytics, and actions taken in partnership with investor groups, such as the Institutional Investors Group on Climate Change ('IIGCC'). Collaborative engagements allow us to enhance our leverage and legitimacy, pursue collective 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.

These three channels provide us with a robust source of engagement opportunities, and we use these avenues strategically, selecting the channel which provides the optimal access to a target company, issue expertise and the potential for a positive outcome on a case-by-case basis. The primary activity in each channel is direct dialogue with corporate securities issuers.

Engagement in practice

Russell Investments-led engagements

Engagement selection

Russell Investments identifies engagement target companies through a systematic process that applies to all our holdings. We concentrate our efforts on six focus areas, described below, that we believe represent material risks and return opportunities. In addition to our core focus areas, Russell Investments also considers the following criteria when selecting targets for engagement:

- Russell Investments' ownership stake as percent of shares outstanding and/or weight of fund exposure.
- Proxy voting history and management responsiveness to shareholder concerns.
- ESG 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.
- Any history of previous engagement activity.
- Opportunities highlighted by our sub-advisers.

Our internally led company engagements are frequently initiated on the back of voting activity, many of which relate to votes that have been referred to the Active Ownership Committee for internal analysis and debate. Our referred votes tend to be ESG-related items not covered by our guidelines, and often are instances where the Active Ownership Committee decides to vote against management.

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

Sub-adviser partner engagements

Given our position as multi-asset, manager of managers, we leverage our relationships with our sub-advisers to provide an informed and integrated approach to active ownership. Sub-advisers are hired to play targeted, value enhancing roles in our portfolios. Day-to-day they are routinely in close contact with our investee companies, so it is natural that their insights and recommendations regularly contribute to our engagement and voting processes.

We consider our sub-adviser relationships to be a strategically important element of our stewardship program. Whenever possible, our portfolio managers solicit input from our sub-adviser partners in the selection of our engagement priorities. Discussions with our sub-advisers can validate the benefit of an engagement and inform our approach. Through consultation with our sub-adviser partners, we determine whether joint outreach or separate but aligned efforts are more likely to be effective. Opportunities highlighted by our sub-advisers might result in partnered engagement efforts, Russell-led engagements with sub-adviser input, or reinforce engagement efforts that are already underway.

Collaborative engagements

Sustainalytics partnership activities

Since early 2020, Russell Investments initiated a partnership with Sustainalytics for collaborative engagements. Sustainalytics' thematic engagement programs 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 but also to provide expertise and access in areas where partnership would increase the likelihood of success. Across all five themes, our investment professionals participate directly in calls with the targeted companies.

Sustainalytics themes covered the following five topics and objectives:

We have signed on to 5 themes that target 20 companies each. We can influence the selection of companies and have the option to actively join engagements.

Sustainable Forests and Finance

Reduction in direct and indirect emissions in the context of global forest systems

Japan – Material Risk

Mitigating material ESG risks, particularly governance, can protect shareholder value

Localized Water Management

Water risk and resource management is a key commercial issue for many companies

Human Capital and the Future of Work

Innovative and competitive companies must prioritize human capital

Modern Slavery

Implementation of strategies that are effective in addressing modern slavery-related risks

Source: Russell Investments, for illustrative purposes only.

Sustainable investment advocacy groups

At Russell Investments, we play an active role in sustainability and responsible investing through involvement in organizations promoting sustainable operating and investment practices. Membership of these organizations and investor groups broadens our scope of influence beyond the companies in which we invest. We have been a signatory of the United Nations-supported Principles for Responsible Investment (PRI) since 2009 and have adopted the PRI's six principles for responsible investing, including those which relate to collaborative engagement. In addition to being a signatory of the PRI, we are either signatories or members of the following advocacy groups:

- Institutional Investors Group on Climate Change (IIGCC)
- Responsible Investment Association Australasia (RIAA)
- Climate Action 100+
- Carbon Disclosure Project (CDP)
- Investment Association (IA)
- Investment Company Institute (ICI)
- Securities Industry and Financial Markets Association (SIFMA)
- TCFD (the Task Force on Climate-related Financial Disclosures)
- Transition Pathway Initiative (TPI)

- Investors Against Slavery and Trafficking (IAST) APAC
- Investment Consultants Sustainability Working Group - ICSWG (US)
- Sustainable Trading

Engagement focus areas

At Russell Investments we believe that the key to a successful engagement program 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 material issues under the general categories of environment, social, and governance. While we recognize that a broad set of issues are worthy of shareholder attention, we believe that identifying engagement focus areas, supports accountability and successful outcomes.

We have defined six firm-wide engagement focus areas which were identified through consideration of our clients' expectations, our proxy voting and engagement practices over time, our corporate values, and our responsible investing beliefs.

Natural capital

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 programs and transitional policies to safeguard the use of these resources for the long-term. Companies should display an understanding of its environmental resource use across its business and demonstrate responsible management of these, aimed at maintaining the long-term usage of resources. We also expect companies to implement sound and sustainable environmental practices across their business value chain.

Human capital

Human capital is focused on how companies attract, develop, and retain employees while providing working conditions favoring greater employee engagement. Human capital is material across all companies; hence we expect companies to provide meaningful and comparable disclosure in this area.

Companies that perform well in this respect are likely to be more resilient and able to attract talented employees, and therefore remain competitive and thrive. On the other hand, poor human capital management is likely to lead to higher employee turnover, lower employee productivity, higher costs and a loss of competitiveness.

Board composition and accountability

The board of directors is the focal point of corporate governance. Directors represent the shareholders, and they are charged with safeguarding investors' interests. The board should promote the long-term best interests of the company by acting on an informed basis, with good faith, care, and loyalty for the benefit of shareholders, while having regard to relevant stakeholders.

Companies should have foundational structures that promote accountability, responsibility, transparency, responsiveness, diversity, and independence from company management.

Climate change resilience

We recognize climate change as one of the defining, global challenges of this generation and as a material investment issue across regions and industries. At Russell Investments, we look to understand thoroughly 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, how they have embedded climate change into their strategy, and how they ensure that the benefits of a shift to net zero are shared, while supporting those most impacted by the change.

Diversity and inclusion

There is ample evidence, and it is globally accepted by way of empirical research and good governance practices, that diversity helps create long-term shareholder value. Diversity and Inclusion is therefore a strong tool to enable business performance.

We recognize that lack of disclosure in this area is a barrier for investors to assess a company’s culture, and for the wider workforce of the company to understand their employer’s approach to equality and inclusion. Companies should be able to demonstrate how they are recruiting, promoting, protecting, and retaining a diverse workforce.

Executive compensation

Inappropriate remuneration structures have been a contributing factor to excessive and imprudent risk taking. Poorly designed remuneration policies have potentially detrimental effects on the sound management of risks and the risk-taking behavior of individuals.

Companies with a poor compensation structure or pay for-performance disconnects pose potential risks to shareholder returns. Therefore, we engage with companies to ensure that remuneration packages effectively align the interests of the executive directors, the workforce, and shareholders with the company’s strategy and performance achieved.

These focus areas are underpinned by two overarching principles:

ESG disclosure

We believe that companies should publish an annual report which details the material ESG issues which their business is exposed to and how they are meeting the related challenges and opportunities. To this end, we encourage companies to provide disclosure of their approach to non-financial disclosures following recognized international reporting frameworks.

For most small cap and emerging market holdings, we expect ESG disclosure to be the main engagement topic. We recognize that these companies have a disclosure disadvantage compared to their larger or developed peers due to resource constraints and the financial burden that comes with measuring and disclosing ESG risks. Our expectations for small cap and emerging market holdings are therefore adjusted accordingly.

UN Global Compact (UNGC)

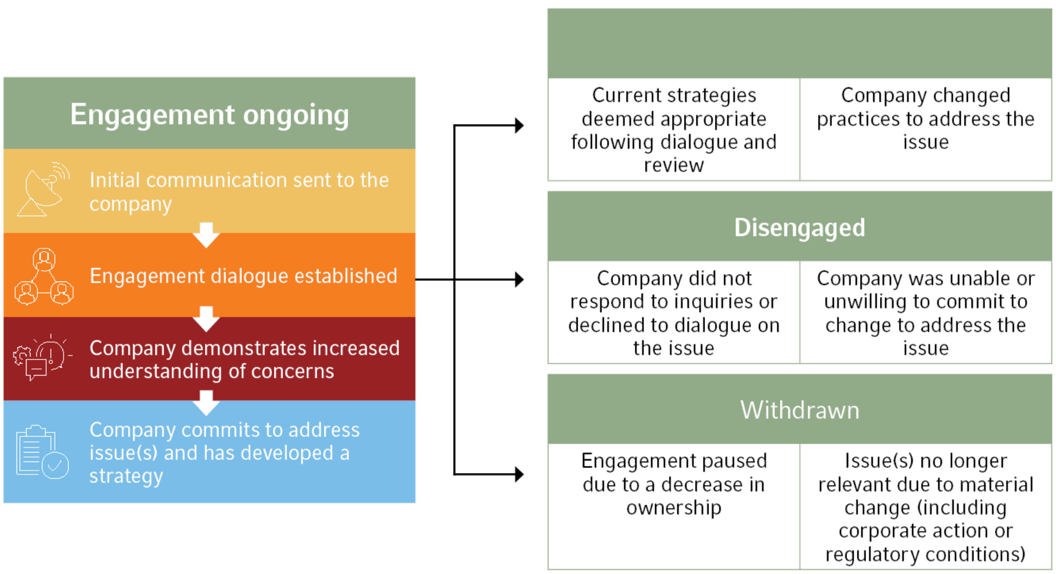
To ensure that companies meet a minimum standard for good governance practices, we check whether a company has breached global ’norm’s, as represented by the UN Global Compact Principles. If a company is identified as being in breach of one of the principles of the UNGC, we will engage with the company with the purpose of understanding why a breach has been flagged, to promote improvements in governance practices, and to ultimately assess whether the company exhibits good governance.

Our engagement focus areas are monitored and updated as required in order to address regulatory developments, emerging investment risk and opportunities, as well as clients' requests and needs. More information on this approach can be found on our website.

Engagement tracking and escalation

Categorization of engagement activity

Russell Investments understands that addressing risk and return opportunities through stewardship can be a lengthy process – not every action will move in a straight line toward success. To that end, we have developed a tracking program by which we monitor the status of each individual engagement action, including the relevant focus area and the aim of each outreach. Once underway, engagement activities are tracked for progress against these outcomes. Engagements are 'ongoing' as long as we believe that progress can be made. Ongoing actions 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 ascribe to an explicit time frame for escalating or closing our internally led engagements, we expect and plan for most issues to be resolved over a three-year period.



Source: Russell Investments, for illustrative purposes only.

Annual review of engagements

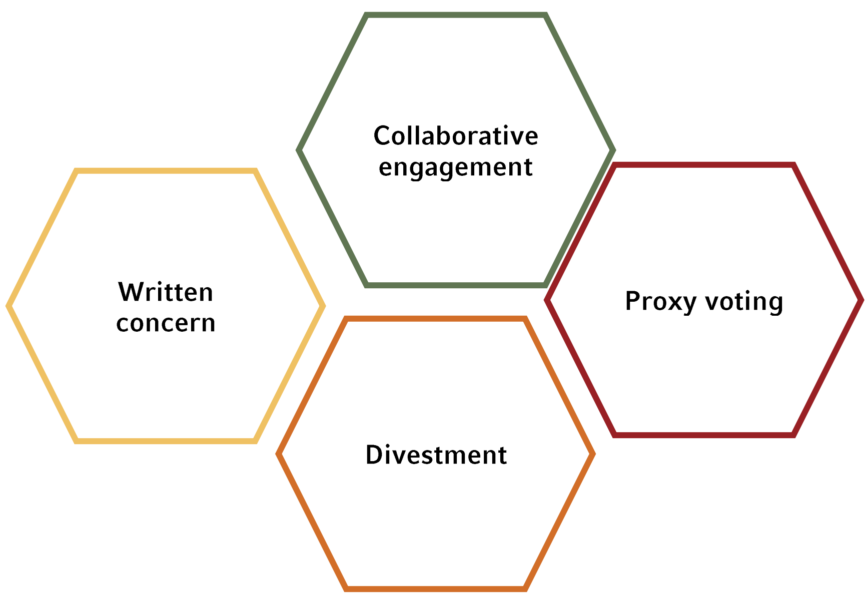
The Active Ownership Team reviews engagements and outcomes on a regular basis to determine whether an engagement should be resolved, disengaged, or escalated. When a company repeatedly fails to respond to our outreach and/or does not advance along a path of implementation, the Active Ownership Team will determine whether to move that effort into escalation or maintain the company in a monitoring watchlist, which will involve more robust scrutiny and frequent engagement to justify holding.

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 (publicly or privately), 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 program 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 believe 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 key strategic component of our stewardship and active ownership activities. Our engagement practices are grounded in the conviction that sound ESG 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?

Email us at **activeownership@russellinvestments.com** or visit **russellinvestments.com/ca/corporate-responsibility/responsible-investing**

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 New York, London, Sydney, Tokyo, Toronto and Shanghai.

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