Adverse Impact Statement

Set out below is the way in which Russell Investments Limited, Russell Investments Implementation Services Limited and Russell Investments Ireland Limited (together, "Russell Investments"), consider the adverse impacts of its activities on sustainability factors.

Russell Investments is steward of its clients' capital and takes seriously its commitment to respond to the mandates entrusted to it by its clients. As standard practice across its portfolios, Russell Investments seeks to identify and manage financially material sustainability risks as detailed in its Sustainability Risk Policy. Adverse impacts and financially material sustainability risks are not mutually exclusive, and those adverse impacts that overlap with sustainability risks are considered as standard operating procedure.

Russell Investments also monitors and reports on a limited number of metrics related to adverse impacts in the equity asset class, and for a limited number of portfolios outside of equities. In addition to monitoring and reporting, there are also circumstances where Russell Investments incorporates explicit management of adverse impacts into a mandate.

Russell Investments differentiates between two levels of response to adverse impacts. The first is measuring and reporting on adverse impacts. The second is explicitly managing adverse impacts.

a) Monitoring and reporting on adverse impacts

Russell Investments considers some specific adverse impacts metrices for the equity asset class as standard practice and these metrices are monitored for all equity portfolios. This includes monitoring carbon emissions and an overall ESG score. This information is made available to investment teams for their consideration and is an input into quarterly calls with its subadvisors for the consideration of such subadvisors. It is also made available to clients. Russell Investments actively investigates data offerings in other asset classes and will seek to expand reporting and monitoring of adverse impact metrices to other metrics and asset classes over time as data availability and quality permits.

b) Managing Adverse Impacts

Where agreed with a client or clearly stated in a fund's objectives, Russell Investments explicitly manages some investment portfolios to reduce one or more adverse impacts. Russell Investments employs various methodologies to do this including:

i. screening certain types of investments that are considered to have an adverse impact; or

ii. centralised implementation of multi-manager portfolios, enabling Russell Investments to use an overlay to reduce certain adverse impacts by shifting weight out of those securities with the highest adverse impacts.

Important information