



LEAG	Materiality	Priority
Individualist/stand-alone engagements	Reason for interaction	<input type="checkbox"/> To support investment decision-making by the investor <input type="checkbox"/> To influence corporate practice for good or to avoid harm <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify
Collaborative engagements	Reason for interaction	<input type="checkbox"/> To support investment decision-making by the investor <input type="checkbox"/> To influence corporate practice for good or to avoid harm <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify
Service provider engagements	Reason for interaction	<input type="checkbox"/> To support investment decision-making by the investor <input type="checkbox"/> To influence corporate practice for good or to avoid harm <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify

# CLIMATE TRANSPARENCY REPORT

## 2019

Russell Investments

# About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here ([https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-5702644E-DE9F-427E-BE89-CD4EE0E3A25D/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-5702644E-DE9F-427E-BE89-CD4EE0E3A25D/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/)). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

## TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	-	Public				
SG 01.6 CC	-	Public				
SG 01.7 CC	-	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	-	Public				
SG 01.10 CC	-	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	-	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	-	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

# ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
<b>Name</b>	Russell Investments
<b>Signatory Category</b>	Fund of funds, manager of managers, sub-advised products - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ > 50 billion AUM
<b>Main Asset Class</b>	Multi-Asset
<b>Signed PRI Initiative</b>	2009
<b>Region</b>	North America
<b>Country</b>	United States
<b>Disclosure of Voluntary Indicators</b>	81% from 38 Voluntary indicators

# Russell Investments

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Russell Investments' policy is to incorporate responsible investing in our investment manager evaluation process, our portfolio management, our advisory services, and through implementing proprietary solutions as desired by clients.

Russell Investments' portfolio managers select their active managers from among those ranked highly by our manager research teams. Our portfolio managers are aware of the ESG disaggregated ranks and have metrics on ESG and carbon alongside profile and exposure data for all products they employ. Our favored portfolio implementation is to select our preferred portfolio managers, and, where appropriate, work with them to achieve responsible investing goals. For portfolios where responsible investing is explicitly targeted, portfolio managers will work closely with manager research, quantitative research and subject matter experts to ensure the achievement of these targets.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

**SG 02****Mandatory****Public****Core Assessed****PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL



URL

{hyperlink:https://russellinvestments.com/us/about-us/responsible-investing}

Attachment (will be made public)

Attachment

[File 1:Best-practices-for-responsible-investing.pdf](#)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

{hyperlink:https://russellinvestments.com/us/about-us/responsible-investing}

Attachment (will be made public)

Attachment

[File 1:russell investments proxy voting policies.pdf](#)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:https://russellinvestments.com/us/about-us/responsible-investing}

Attachment (will be made public)

Attachment

[File 1:russell investments proxy voting policies.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:https://russellinvestments.com/us/about-us/responsible-investing}

Attachment (will be made public)

Attachment

[File 1:russell investments proxy voting policies.pdf](#)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://russellinvestments.com/us/about-us/responsible-investing}

Attachment (will be made public)

Engagement policy

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://russellinvestments.com/us/about-us/responsible-investing}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://russellinvestments.com/us/about-us/responsible-investing}

Attachment

File Attachment

{[hyperlink:Best-practices-for-responsible-investing.pdf \[1355KB\]](#)}

- Your investment objectives that take ESG factors/real economy influence into account
- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

{[hyperlink:https://russellinvestments.com/us/about-us/responsible-investing](#)}

- Attachment

File Attachment

{[hyperlink:ESG Working Group.pptx \[109KB\]](#)}

- ESG incorporation approaches

URL/Attachment

- URL

URL

{[hyperlink:https://russellinvestments.com/us/about-us/responsible-investing](#)}

- Attachment

File Attachment

{[hyperlink:Best-practices-for-responsible-investing.pdf \[1355KB\]](#)}

- Active ownership approaches

URL/Attachment

- URL

URL

{[hyperlink:https://russellinvestments.com/us/about-us/responsible-investing](#)}

- Attachment

File Attachment

{[hyperlink:russell investments proxy voting policies.pdf \[172KB\]](#)}

- Reporting

URL/Attachment

URL

URL

{hyperlink:https://russellinvestments.com/us/about-us/responsible-investing}

Attachment

Climate change

We do not publicly disclose any investment policy components

## Governance and human resources

## ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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**SG 13.1**

Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

Yes, to assess future ESG factors

Describe

We have done extensive modeling of the effect of exclusions on equity portfolios to determine (a) breakpoints where exclusions will impact performance expectations and (b) how well different strategies can reduce that impact.

Yes, to assess future climate-related risks and opportunities

No, not to assess future ESG/climate-related issues

**SG 13.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

We also consider capitalization exposures.

We do not consider ESG issues in strategic asset allocation

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**SG 14.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		1	012	000	000
Currency	USD				
Assets in USD		1	012	000	000

Specify the framework or taxonomy used.

See our methodology white paper.

<https://russellinvestments.com/us/insights/articles/decarbonization-2>

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Identified material ESG factors by industry and developed related portfolio metrics.

- None of the above

**SG 14.3** Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

**SG 14.4** If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

MSCI, Carbone4, Sustainalytics

SG 14 CC	Voluntary	Public		General
SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.			

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Climate-related targets</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Coal elimination and green energy addition	Company-specific	Absolute and relative
<b>Weighted average carbon intensity</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Reduce carbon footprint exposure	(Scope 1 + 2)/total revenue	Weighted average
<b>Carbon footprint (scope 1 and 2)</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Reduce carbon footprint exposure	(Scope 1 + 2)/total revenue	Relative
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Reduce carbon footprint exposure	(Scope 1 + 2)/total revenue	Weighted Average
<b>Exposure to carbon-related assets</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Reduce Reduce exposure to fossil fuels	Reserves and CO2 equivalent	Relative

SG 14.7  
CC

Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	company dependent	phase out coal targets	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	continuous	benchmark relative	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

**SG 14.8**  
**CC** Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

**SG 14.9**  
**CC** Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes
- No, we do not engage

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 15.1** Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

**SG 15.2** Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

27

**SG 15.3** Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology



Asset class invested

Listed equity

% of AUM

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure
- Commodities
- Hedge funds
- Other (1)
- Other (2)

other description (2)

private impact fund

% of AUM

1

Brief description and measures of investment

- Global Environment Technology Fund
- Multi-manager fund managed
- Decarbonization 2.0
- Private assets devoted to clean energy and low carbon

Renewable energy

Asset class invested

Listed equity

% of AUM

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure
- Commodities
- Hedge funds
- Other (1)
- Other (2)

other description (2)

Private impact fund

% of AUM

1

Brief description and measures of investment

Global Environmental Technologies Equity

Private assets devoted to clean energy

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure
- Commodities
- Hedge funds
- Other (1)
- Other (2)

other description (2)

Private assets

% of AUM

1

Brief description and measures of investment

Private assets devoted to financial inclusion.

- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Infrastructure
- Commodities
- Hedge funds
- Other (1)
- Other (2)

other description (2)

Private assets  
Private assets

% of AUM

1

Brief description and measures of investment

Private assets devoted to healthcare outcomes

- Water
  - Other area, specify
- No

