

Russell Investments Proxy Voting Policies and Guidelines

2026 vs. January 2021: a complete rewrite, and what it means for your ballot

Russell Investments
Proxy Voting Policies and Guidelines
January 2021 edition compared with 2026 edition

Russell stopped outsourcing its voting policy to Glass Lewis. The 2021 guidelines mentioned Glass Lewis 239 times; the 2026 guidelines mention it eight.

Source: the two published guideline documents, read in full. Every quotation below is taken verbatim from them.
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Why this is a rewrite and not a revision

These two documents share a title and almost nothing else. The 2021 edition ran to eighteen Roman-numeral sections and roughly 16,800 words. The 2026 edition runs to ten lettered sections and roughly 7,000. Word-level comparison puts them at about 12% similar - in practice, Russell threw the old document away and wrote a new one.

A note on sources before the analysis. The archive holds a file labelled 2024 for Russell Investments, but it is a truncated download - exactly one megabyte, with no recoverable text. It cannot be used. The two usable editions are the January 2021 guidelines and the 2026 guidelines, and this report compares those. Any conclusion here about when a change happened is therefore bounded by a five-year window, not a single year.

The single biggest change

The 2021 document was written as a layer of instructions on top of Glass Lewis's recommendations. Provision after provision read 'we vote for X, unless Glass Lewis recommends a vote against, in which case we vote on a case-by-case basis.' Glass Lewis appears 239 times in that document, including as the source of the definition of director independence, the poison-pill test and the pay-for-performance methodology. In the 2026 document Glass Lewis appears eight times, entirely as the administrator that executes Russell's own guidelines. Russell now writes its own policy.

1. From deference to standards

The 2021 guidelines rarely stated a position outright. They stated a default and then handed the decision back to the proxy adviser, or to the intersection of management's and Glass Lewis's views.

2021, typical construction:

"If a proposal seeks to tie executive compensation to ESG metrics we vote for the proposal if management and Glass Lewis both recommend a vote for such proposal. We vote against the proposal if management and Glass Lewis both recommend a vote against such proposal. In cases where management and Glass Lewis disagree, we vote on a case-by-case basis."

That formula - agree with the consensus, defer to Glass Lewis where there is none - recurs throughout the 2021 document, on water proposals, pharmaceutical pricing, dividend increases, stock option exchanges, takeover statutes and board diversity. It is a rational policy for a manager voting across many markets with limited internal resource, but it means the published guidelines did not actually tell a client how Russell would vote.

The 2026 document states positions. Glass Lewis's role is confined to mechanics:

2026:

"As part of our process, an external service provider, Glass Lewis, acts as our proxy administrator and is responsible for aggregating proxy ballots received directly from Russell Investments' custodians and applying our custom guidelines when executing proxy votes."

Case-by-case items now go to internal analysts and then to Russell's Active Ownership Committee, and the Committee 'oversees an annual internal audit process, verifying the accuracy of vote execution by Glass Lewis.' Russell also states flatly that it retains the vote rather than passing it down: 'We do not delegate voting to any of our sub-advisers.' For a manager whose business is manager-of-managers multi-asset portfolios, that is a meaningful statement about where stewardship decisions sit.

One 2021 provision survived in substance while losing its Glass Lewis anchor. Section XV of the 2021 document, 'Lack of Information or Late Information,' voted against proposals where the information supplied was inadequate. The 2026 version appears in the opening section: 'In certain instances, when we consider the level of information is inadequate to apply these guidelines, we may choose to vote against a particular proposal.' The reference to voting against 'when Glass Lewis recommends' is gone.

2. Director elections: the thresholds moved in both directions

This is where the rewrite has the most direct effect on real ballots, and the picture is genuinely mixed.

Overboarding: looser for non-executives, tighter for executives and chairs

How many boards is too many

2021:

"We generally withhold votes from directors who serve on the boards of more than three publicly traded companies. If the candidate is also the CEO of a publicly traded company, that number is reduced to two."

2026:

"As a general approach, we tend to oppose the election of a director who: Serves as an executive officer of any public company while serving on more than one public company boards; or Serves on more than four public company boards."

For an ordinary non-executive director the limit went up, from three boards to four - a loosening, and one that puts Russell at the permissive end of the market. For a sitting executive it went down, from two to one additional board. And a new counting rule was added that has no 2021 equivalent:

2026, new:

"We generally count board chair positions as two board seats given the increased time commitment associated with these roles."

A director who chairs two boards is therefore already at the limit. One carve-over from 2021 survives: Russell 'may choose not to vote against overcommitted directors at the companies where they serve in an executive function' - the overboarding objection is registered at the outside company, not at the executive's own employer.

Attendance: wider coverage, weaker commitment

The 75% attendance test

2021:

"Attendance at board meetings, such that if a director does not attend at least 75% of board meetings without a valid excuse, votes will be withheld from that director,"

2026:

"As a guiding principle, we may opt not to support directors who have attended fewer than 75% of the board and committee meetings held."

Three edits in one sentence. The measure widened from board meetings alone to 'board and committee meetings,' which is stricter - a director cannot offset poor committee attendance with a strong board record. But 'votes will be withheld' became 'we may opt not to support,' and the 'without a valid excuse' safety valve - which in 2021 expressly covered illness and company business, and forgave a single missed meeting - was removed rather than retained. The 75% number itself is unchanged.

Independence: Russell wrote its own definition

In 2021, independence was whatever the listing exchange said it was, with the New York Stock Exchange standard applied to non-US issuers and Glass Lewis's definition used for poison pill and takeover committee tests. The 2026 document sets out its own criteria and its own numerical targets.

2026, new:

"For non-controlled companies, a target independence level of at least 50 percent is typically sought, while controlled companies are encouraged to have at least one third of their board constituted by independent directors."

The disqualifying criteria are recognisably European in origin: employment within five years, a material business relationship within three, additional remuneration beyond a director's fee, close family ties, cross-directorships, representing a significant shareholder, and - the one that will bite most often - 'They have served on the board for more than 12 years from the date of first election.' A twelve-year tenure cap on independence is standard in the UK and much of continental Europe and unusual in a US-domiciled manager's global policy. Russell adds that 'more rigorous criteria and benchmarks may be applied to align with

local governance standards.'

Committee standards are also new and specific: 'we expect the Audit and Remuneration Committee to be fully independent, the expectation for the Nomination Committee is to be at least 50% independent,' with at least one audit committee member holding financial expertise.

Diversity: kept, and broadened

Board diversity proposals

2021:

"We vote for any proposals requesting a company increase the gender or racial minority representation on its board, unless Glass Lewis recommends a vote against, in which case we will vote on a case-by-case basis."

2026:

"Proposals aimed at enhancing board diversity typically receive our support as they contribute toward fostering a more inclusive decision-making environment."

The affirmative default survives, phrased as 'typically receive our support' rather than 'we vote for.' Read against the industry backdrop this is a retention, not a retreat: the 2026 edition also supplies a definition of diversity that the 2021 edition did not have, covering 'individuals from different genders, age ranges, ethnicities, nationalities, social and economic origins, professional skills, and personal attributes,' and describes a diverse board as 'pivotal for effective decision-making.' Gender and ethnicity both survive by name.

3. Remuneration: from proxy-adviser deference to a stated framework

The 2021 compensation section was a list of narrow, often country-specific rules hung off Glass Lewis recommendations - change-in-control provisions for Canadian companies, option grants to non-executive directors for Australian companies, stock option exchange programmes, OBRA-related proposals. The 2026 section states general principles with testable content.

- A stated salary ceiling test: 'Changes in the lead executive's salary exceeding 10% require suitable justifications to gain our support.' There was no equivalent in 2021.
- LTIP design: 'A minimum performance duration of three (3) years is preferred, with encouragement for post-vesting retention periods'; multiple metrics preferred over one; at least one relative metric; 'Vesting based on relative performance metrics should not occur for performance below the median'; 'Re-testing is not allowed'; individual limits expressed as a percentage of base salary.
- Pensions: 'Russell Investments generally expects pension provisions for executive directors, both those newly appointed and incumbent executives, to be in line with those available to the majority of the wider workforce' - a UK-style pension alignment expectation, new.
- A named consequence: 'We may choose to vote against the entire committee based on the practices or actions of its members, such as approving large one-off payments, the inappropriate use of discretion in determining variable remuneration, or sustained poor pay-for-performance practices.'
- Pay should 'target the median of peer groups,' and 'executive compensation should consider the broader workforce's pay levels.'

The below-median vesting prohibition is the most consequential of these, because it is a bright line. Under the 2021 guidelines, Russell actually voted against shareholder proposals that would have imposed the same discipline: 'We vote against shareholder proposals that require executives to only receive bonuses or other incentives when the company's performance exceeds its peers' median or mean performance on selected financial criteria.' The 2026 guidelines adopt the substance of what the 2021 guidelines opposed.

ESG metrics in pay: a real position replaces a formula

Tying executive pay to ESG outcomes

2021:

"If a proposal seeks to tie executive compensation to ESG metrics we vote for the proposal if management and Glass Lewis both recommend a vote for such proposal. We vote against the proposal if management and Glass Lewis both recommend a vote against such proposal. In cases where management and Glass Lewis disagree, we vote on a case-by-case basis."

2026:

"While we support companies incorporating material ESG risks and opportunities into their long-term strategic planning, we emphasise that the inclusion of ESG metrics in compensation programs should be based on each company's unique circumstances. We advocate for companies providing shareholders with clear disclosures outlining the rationale for selecting specific ESG metrics, the target-setting process, and corresponding payout opportunities."

Russell now has a view: ESG metrics in pay are neither required nor discouraged, but where used they must be explained. That is a more useful position for a company or a proponent to work with than the 2021 formula, and it is more permissive than a mandate - Russell expressly acknowledges 'that not all compensation schemes may be suitable for incorporating ESG metrics.'

4. Climate: from absent to a voting trigger

The word 'climate' does not appear anywhere in the January 2021 guidelines. Not once. The 2026 guidelines open their environmental and social chapter with a full section on it.

2026, new:

"Russell Investments recognises climate change as one of the defining, global challenges of this generation and as a material investment issue that crosses regions and industries."

The operative sentence is further down, and it is a genuine voting commitment with two named preconditions - climate risk disclosure, and explicit board oversight:

2026, new:

"We also believe the boards of these companies should have explicit and clearly defined oversight responsibilities for climate-related issues. Therefore, in instances where we find either of these disclosures to be absent or significantly lacking, we may choose to vote against responsible directors."

Russell also states that it has been 'an official supporter of the Task Force on Climate-Related Financial Disclosure (TCFD)' since 2019 and endorses its recommendations. TCFD is being removed from peer policies in 2026; Russell added it.

On management-sponsored say-on-climate votes the approach is case-by-case against five factors, one of which is a warning to boards rather than to shareholders: 'We may choose not to support the vote when the proposal shifts the responsibility of setting climate change strategy onto shareholders.' Russell will also consider 'our engagement activities and our subadvisors' input' - the only place sub-advisers appear in the voting analysis, having been excluded from the vote itself.

5. Shareholder proposals: a framework in place of a lookup table

The 2021 treatment of environmental, social and political proposals was a topic-by-topic list, each entry resolving to a Glass Lewis or management-consensus rule. The 2026 treatment opens with a general test and then modifies it by topic.

2026:

"Management and the board typically hold the expertise and proximity needed to make strategy and policy decisions concerning environmental, social, and political issues. However, we may support shareholder proposals that highlight a company's inadequate handling of an issue directly linked to shareholder value or risk mitigation."

Six factors follow: inadequacies in current practice or disclosure, peer-relative deficiencies, whether the request duplicates existing practice, whether the board has committed to address the proponent's concerns, sector relevance, and 'avoiding excessive prescription in detailing strategy or operational decisions.' This is recognisably the same family of test that most large managers now apply, and the deference-to-management opening sentence is the standard framing. It is neither notably permissive nor notably strict.

Topic positions that changed only by losing their Glass Lewis anchor

Tobacco proposals

2021:

"We vote against shareholder resolutions to cease the production of tobacco-related products, restrict the selling of products to tobacco companies, spin off tobacco related businesses, or prohibit investment in tobacco equities, unless Glass Lewis recommends a vote for, in which case we vote on a case-by-case basis."

2026:

"We generally do not support shareholder resolutions to cease the production of tobacco-related products, restrict the selling of products to tobacco companies, spin off tobacco related businesses, or prohibit investment in tobacco equities, unless supported by a strong investment case."

Identical position, different escape hatch: Glass Lewis's view was replaced by Russell's own investment judgement. The same substitution was applied to water, pharmaceutical pricing, environment and workplace safety proposals, where the underlying stance in each case is unchanged from 2021.

Two positions carried over essentially word for word, and are worth noting because they are the most explicitly social commitments in either document: support for proposals 'seeking to amend a company's equal employment opportunity statement/diversity policies to prohibit discrimination based on sexual orientation and/or gender identity,' and support for extending company benefits to domestic partners. Both appear in the 2026 edition unchanged.

On political spending, the 2026 guidelines set four conditions for supporting a disclosure proposal - insufficient or lagging disclosure, significant risk from political activity, absent or inadequate board oversight, or mismanagement of corporate funds - and keep a firm limit: 'We will not support proposals requesting the company to publish in public media any political contributions.'

6. What disappeared, and what it means

Roughly 10,000 words were cut. Most of the deleted material was mechanical detail that had become redundant once Russell stopped writing its policy as a set of exceptions to Glass Lewis.

- 'Routine Shareholder Meeting Formalities' - a full section listing items like opening the meeting, confirming quorum and appointing minute-signers. Deleted; these are handled by the custom guidelines Glass Lewis applies.
- 'Proxy Contests,' 'Proxy Contest Defenses' and 'Tender Offer Defenses' - three sections in 2021, including a detailed poison pill test (three-year maximum duration, 20% minimum trigger, no other takeover defences, an independent evaluation committee). The 2026 document handles takeover defence in a single sub-section under shareholder rights.
- 'State of Incorporation' - detailed positions on US state takeover statutes, greenmail and reincorporation. Deleted.
- 'Fixed Income and Real Estate Securities,' 'Items Not Addressed by Guidelines' and 'Determined Materiality Threshold' - all deleted. The 2026 document instead states simply that 'We apply these guidelines globally, and across all asset classes as required.'
- Country-specific rules for French, Canadian and Australian companies. The 2026 document says its guidelines 'are designed to accommodate the nuances of specific market requirements, expectations, and local regulations, rather than providing discretion.'

The trade-off

The 2021 document was longer and more specific but told you less, because most of its specificity was a pointer to someone else's recommendation. The 2026 document is shorter and more general but states actual thresholds - 50% board independence, twelve-year tenure, four boards, 75% attendance, three-year LTIP performance periods, no below-median vesting, 10% salary increase justification. On balance a client can now predict more Russell votes from the published policy than before, even though the policy is less than half the length.

The bottom line

Russell Investments repatriated its proxy voting policy.

The 2021 guidelines were, functionally, Glass Lewis's policy with a Russell overlay: 239 references, with the proxy adviser supplying the definition of independence, the pay-for-performance methodology and the tiebreaker on most contested topics. The 2026 guidelines are Russell's own, with Glass Lewis reduced to ballot administration under an annual internal audit, and case-by-case items routed to Russell's Active Ownership Committee.

The substance moved too. Climate went from entirely absent to a section with a named voting trigger against directors who fail to disclose climate risk or to establish board oversight, plus a TCFD endorsement. Remuneration acquired real tests including a below-median vesting prohibition - the very discipline the 2021 guidelines voted against when shareholders proposed it. Board independence acquired numerical targets and a twelve-year tenure cap. And board diversity support survived, with a broader definition, at a moment when most peers were narrowing theirs.

The loosening is narrower but real: the non-executive overboarding limit rose from three boards to four, the attendance test lost its mandatory phrasing and its stated excuses, and the general framing of environmental and social proposals now opens by deferring to management's 'expertise and proximity.'

One caveat on timing. Because the intervening 2024 file in the archive is corrupt, this comparison spans five years. Some of what is described here - particularly the climate section and the TCFD endorsement, which references Russell's support since 2019 - may well have appeared in an edition between 2021 and 2026 rather than in the 2026 edition itself.