

nuveen

A TIAA Company

2020 – 2021
Annual
Stewardship Report
At-a-glance

Responsible investing (RI) has been a priority for Nuveen for more than **five decades**. When it comes to effecting change and progress at individual companies, we know that effectively managing ESG risks and opportunities isn't a "one size fits all" exercise.

Explore the full report at nuveen.com

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**Serving our
clients through
a differentiated
process**

Setting company expectations

We communicate to portfolio companies our expectations for their further progress. For example, we move beyond basic reporting to investment-relevant disclosure and more intentional management of risks and opportunities.

Setting a clear stewardship strategy

We set a clear timeline for results regarding what we want our portfolio companies to achieve and will escalate issues when there is lack of change.

Supporting our investment teams

We support our investment teams in engaging on the ESG issues most important to their investment decision making.

Supporting our clients

Perhaps most importantly, we undertake these stewardship activities to serve our clients' financial best interests and use our depth of expertise to drive meaningful, reportable ESG outcomes.

\$43.6B

OF AUM

**WITHIN PRODUCTS
WITH SPECIFIC RESPONSIBLE
INVESTING OBJECTIVES**

As of 30 June 2021

By the numbers

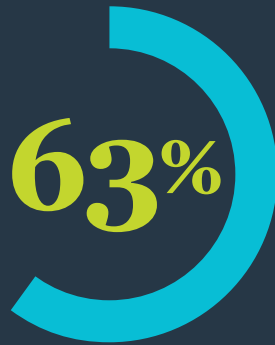
COMPANIES TARGETED



of 75 companies improved their transparency and/or accountability for DE&I



of over 800 companies for our Women on Boards initiative added one or more female directors



of 147 companies improved their transparency and/or accountability for climate risk

In 45% of meetings in the Americas we voted against management at least once

COMPANIES ENGAGED

275
on climate change

212
on diversity, equity & inclusion (DE&I)

175
on business ethics, transparency and accountability

154
on executive compensation

SHAREHOLDER PROPOSALS

We supported

100%
of natural resources votes

82%
of DE&I votes

78%
of climate change votes

Focus topics

Climate risk

In 2021, governments, businesses and financial institutions coalesced to a greater degree than ever before around net zero carbon. But the path to net zero is not easy; an entire ecosystem of solutions and transformations is needed across a wide range of industries to facilitate the energy transition. Nuveen deepened incorporation of climate risk into our portfolio management, with Nuveen Real Estate committing to make our \$133 billion global property portfolio operationally net zero carbon by 2040. The \$280 billion TIAA general account, managed by Nuveen, also committed to achieving net zero carbon emissions by 2050.

Diversity, equity & inclusion

This year we witnessed a major milestone in the push for greater diversity on boards with the SEC approving NASDAQ's proposal for listed companies to disclose board demographics and meet minimum targets for gender and racial diversity. Nuveen strongly supported this proposal in its comment to the SEC during the deliberation period. We believe the rule will add needed incentive

for companies to diversify their boards and will benefit investors that have struggled to gain uniform data on board member diversity.

Frontline employees

An already shifting employment landscape has been further transformed by COVID-19, and with the economic reopening turnover and job openings are at record highs. Our research indicates a link between factors related to labor management and company performance. This informed 38 Nuveen engagements on frontline workers and 89 that touched on Employee Health and Safety. We have been seeking greater visibility and detail from companies around factors such as employment status across the workforce — e.g., part-time or full-time, minimum wage and benefits. We have also encouraged the development of strategies for the long-term around workforce stability and culture, safety, training and development.

Racial equity

The issue of racial equity is tied to DE&I; however, it is necessary to address the issue beyond the context of employment. In order for society to drive greater racial equity, customers and communities have to be a central consideration. Our Racial Equity initiative was built around the financial materiality of a range of issues to various industries, but also on the premise that requesting industry-specific transparency and accountability has the most potential to generate real impact. We believe companies should establish policies, training programs, processes and/or oversight structures to address existing racial equity issues and future risks and opportunities. For companies with a physical footprint in communities of color, their efforts should include plans to bolster community engagement and seek opportunities for collaboration.

By asset class

While the majority of the 2020 – 2021 Stewardship Report relates to public equities, we have been taking significant steps to drive engagement with our holdings and the broader market across multiple asset classes. This section highlights some of these endeavors.

Fixed income

Over the last year we have worked to institutionalize our engagement processes across fixed income. By offering more in-depth training for our fixed income teams and systematizing engagement tracking, we seek to drive greater scale and better monitoring for our benefit and that of our clients.

Private markets and real assets

Within private equity we exercise our influence as an owner/operator and use our board presence to improve ESG management, even in those cases where we are a minority owner and do not have operating control. This gives us direct, meaningful and impactful communication

channels with company management, allowing us to drive the company in a direction that we believe will maximize value at exit.

As a private debt holder, we maintain close communication with the equity sponsor of the investment on ESG issues as an important element of our engagement. The best results are achieved when Nuveen can bring to the engagement a specific skill or technical capability that the company itself does not have such as farmland sustainability or climate risk expertise.

Real estate

Real estate stewardship is largely predicated on the type of investment (equity or debt) and our ownership stake. With wholly owned properties and some joint ventures, we have the opportunity to directly influence business plans and ensure that property management reflects Nuveen Real Estate's sustainability priorities — such as our objective to reach net zero carbon across our real estate portfolio by 2040. We have found that it is important to us, as a building owner, to set ESG priorities and give tenants the tools and resources to prioritize sustainability.



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