

nuveen

A TIAA Company

Annual
Stewardship Report
2022–2023
At-a-glance



Resiliency in the face of disruption

2023 was an unprecedented year. Companies and investors were challenged by persistent inflation, rising interest rates, a banking crisis in the U.S., and supply chain issues that sparked fears of a global economic downturn. Conflict in Ukraine and the Middle East further heightened political tensions, and we saw a surge of technological innovation in generative artificial intelligence. As asset managers, we look to achieve resiliency in the face of disruption. We recognize the responsibility we have as stewards of our clients' capital, aiming to protect and deliver on focused outcomes for over \$1 trillion of their assets.

Despite these challenges, we remain dedicated and focused on advancing responsible investing practices, with preserving and enhancing long-term shareholder value at the center of our approach.





Nuveen stewardship house views — transparency, accountability and impact

The past year has brought a significant number of new issues to the fore of the ESG space, as well as a growing sophistication on evergreen topics.

Environmental issues are now expanding beyond climate risks in terms of transition and physical risk to the interconnectedness of climate and natural capital, including land use, water use, biodiversity and more. Social issues have expanded beyond a company’s direct workforce to customers and communities from a racial equity lens as well as into the company’s supply chain in terms of an increased emphasis on human rights. Governance issues ranging from executive compensation to capex allocation are being put in a new spotlight due to worker wage pressures and interest rate increases. Nuveen’s investment stewardship approach is guided by the enterprise policy statement on responsible investing. Nuveen believes it is necessary to take a dynamic approach to materiality and continuously calibrate the internal and exogenous forces that affect risks and opportunities at the market- and company-level.

To understand how the framework is put into practice within Nuveen’s stewardship program, we examined our enterprise-level views on transparency, accountability and impact expectations before accounting for company- and industry-specific factors and/or the fund- or enterprise-level investment objectives.

We focused on:

Global climate change

Natural resource use

Diversity and nondiscrimination

Global labor standards and human rights

Product and customer responsibilities

Macroeconomic and systemic issues

Emerging issues, including artificial intelligence, children’s rights, and customer access and affordability

Engagement by the numbers

Overall, Nuveen engaged with **53%** of its global corporate equity assets under management.

All Nuveen equity AUM as of June 30, 2023. Excludes AUM in entities such as funds where exposure is not directly to a corporate issuer that can be engaged. Percentages will not add to 100 as more than one issue category may be discussed.

Nuveen's active portfolio management includes multiple touchpoints with portfolio companies and those discussions may include questions related to ESG themes or context to support ESG integration into the investment process. The engagement activity described here is specific to ESG-focused engagement activity where the discussion included explicit expectations being set by Nuveen in accordance with either enterprise- or fund-level ESG investment objectives. These advocacy-focused engagements and the expectation set are then tracked by Nuveen for outcomes in line with its transparency, accountability, and impact stewardship framework.

564
TOTAL ENGAGEMENTS

417
COMPANIES ENGAGED

Engagement activity by category

Environmental

Climate Change	65%	283
Natural Resources	6%	29

Social

Diversity, Equity & Inclusion	31%	156
Communities	5%	28
Product Responsibility	3%	16
Talent Management	9%	51
Customers	9%	59
Employee Health and Safety	2%	7

Governance

Shareholder Rights	9%	48
Business Ethics, Transparency and Accountability	32%	166
Board Structure and Operation	10%	57
Executive Compensation	33%	160
Board Quality	16%	88

Engagement outcomes by category

The table below provides a summary of our engagement outcomes by category in the context of our “Transparency, Accountability, and Impact” framework.



	Transparency	Accountability	Impact
Environmental	67	69	0
Climate Change	64	67	0
Natural Resources	3	2	0
Social	56	49	8
Diversity and Inclusion	25	26	8
Communities	10	9	0
Product Responsibility	0	0	0
Talent Management	5	2	0
Customers	16	12	0
Employee Health and Safety	0	0	0
Governance	23	21	1
Shareholder Rights	0	2	1
Business Ethics, Transparency and Accountability	17	9	0
Board Structure & Operation	0	1	0
Executive Compensation	4	7	0
Board Quality	2	2	0
Total	146	139	9

Targeted initiatives successes and outcomes

Implementing change and achieving real-world impacts are complex endeavors which take time and perseverance. This is why our engagement initiatives are multi-year activities. Below is a summary of our targeted initiative outcomes and successes since 2020 in the context of our “Transparency, Accountability, and Impact” framework.



	Inception	Number of companies	Description	Transparency	Accountability	Impact	Success rate
Nature Risk	2023	50	Nature and ecosystem services are a material dependency across the economy as well as a critical solution for managing human-induced carbon emissions. This initiative focuses on developing standards for companies to scope, locate, evaluate, assess, and prepare to respond to nature-related risks and opportunities.	—	—	—	Newly launched
Climate Risk 2.0	2022	100	We are raising expectations for companies with significant climate-related financial risk and that comprise the majority of our own portfolio carbon emissions. In addition to indicators set for Climate Risk 1.0, we expect more information, action and verification surrounding company risk management, incentive structures and business strategies related to a low carbon transition. The ultimate long-term objective is to see real decarbonization across this universe (impact).	10	41	—	51%
Racial Equity	2021	98	This initiative is focused on customers and communities. Using a sub-theme approach that spans E, S and G issues, we are asking companies across a range of industries to critically assess, report on and create accountability for the racial equity issues that most directly relate to their businesses.	18	54	—	73%
Climate Risk 1.0	2020	139	We have asked companies to produce reporting that aligns with the Task Force on Climate-related Financial Disclosures (TCFD), the industry recognized standard, and to strengthen board and management oversight and accountability for climate risk. In addition, we are encouraging them to adopt science-based reduction targets that align with the Paris Agreement.	21	105	—	92%
Inclusive Talent Management	2020	75	Related specifically to employees, we asked companies to think critically about how they assess D&I and to produce customized, actionable human capital reporting. We expect them to generate metrics tailored to their own operations, so that they can uncover gaps and opportunities for improvement, identify “root causes” of D&I challenges, drive diverse talent pipelines and address pay equity issues.	26	48	—	99%

Introduction of new biodiversity stewardship initiative

Economic activity has a direct, and often unpriced, effect on global biodiversity. The ability to reverse biodiversity loss is timely, costly and likely not fully reversible. It is estimated that \$58 trillion of economic value (just over half of global GDP) is moderately or highly dependent on nature and its related services, and that half of the market value of listed companies on 19 major stock exchanges is exposed to material nature-related risks.

Therefore, a biodiversity stewardship strategy inherently requires a multi-dimensional approach. This approach requires investors to map value chains, consider market forces that may influence competitive dynamics and assess the various risks and impacts such as supply disruptions, shifts in demand and consumer preferences, and regulatory and reputational impacts.

Environmental risk and impacts can affect corporate valuations in both equity and fixed income holdings, sovereign debt in relation to country-level economic activity, as well as commodity prices and other real assets values based on several factors.

Given the interconnected nature of biodiversity, Nuveen's nature risk initiative intentionally takes a market cross-section, emphasizing the sectors with the largest negative impacts on nature and the highest potential impact to the value of assets under management.

The cross-sectional approach will hopefully help establish reasonable market-wide expectations for transparency and will also encourage a variety of strategies for nature-related dependencies, impacts, risks and opportunities. In line with Nuveen's pragmatic stewardship approach focused on materiality and feasibility, the intent of this early-stage initiative is to support companies in strengthening their nature-related strategies, learn about gaps and best practices, and explore ways to further integrate nature-related themes into the investment process through considerations such as:



Physical risk, such as continued viability of farmland, timberland, waterways, etc., as a result of continued usage and accumulated contamination.



Regulatory risk, such as limitations of use of natural resources, import bans or border adjustment mechanisms, imposed internalization or remediation costs, or other policies that may affect companies' value chains.



Technology/innovation solutions, such as the development of alternative processes to mitigate natural capital usage or protection of biodiversity through sustainable management or treatment to keep local natural resources sustainable.



Market solutions, such as the change in customer preferences for more sustainable product consumption and/or alternative products.

How we voted

SCOPE

TOTAL PROPOSALS VOTED **129,446** TOTAL EXEC. COMP. VOTES **15,676**

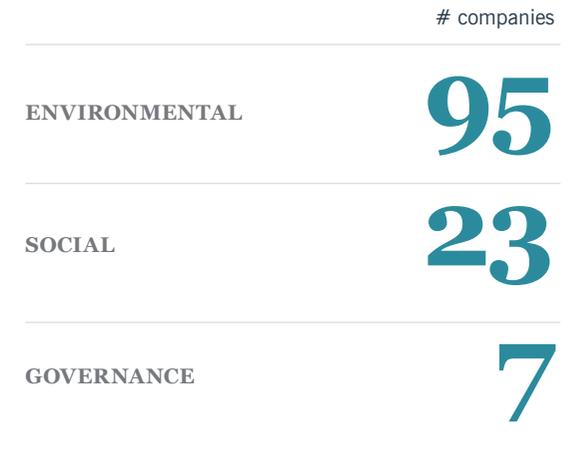
TOTAL MEETINGS VOTED **12,847** TOTAL DIRECTOR VOTES **53,752**

“Proxy voting is a point-in-time reflection of our views on whether the company is taking the appropriate steps to develop a strategy and oversight structure that will support long-term value creation. We use voting as a means to hold companies accountable for developing and executing a strategy that aligns to long-term value creation, but we do not assume that past performance-positive or negative- will always be indicative of future results. Our case-by-case approach to voting takes into account progress made by a company as well as the strategy for identifying and addressing risks and opportunities that may be around the corner.”



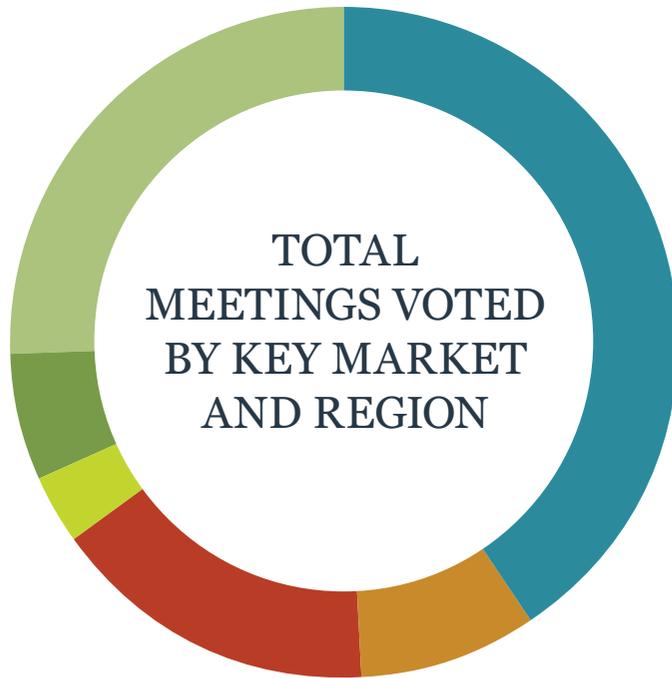
Peter Reali
Global Head of Stewardship,
Responsible Investing

% AND # MEETINGS WITH AT LEAST ONE VOTE AGAINST MANAGEMENT



Source: Nuveen, 1 July 2022 - 30 June 2023

How we voted



● APAC (ex. Japan)	5,217
● Japan	1,110
● EMEA (ex. U.K.)	2,054
● U.K.	423
● Americas (ex. U.S.)	792
● U.S.	3,261

Source: Nuveen 1 July 2022 - 30 June 2023

Rationale for Votes Against Management (VAM)

(# of proposals*)	Global (inc. U.S.)	YoY change %	U.S.	YoY change %
Board Quality	2474	-12%	640	-14%
Board Diversity	1446	-25%	985	-27%
Board Structure and Operation	1302	-3%	780	-12%
Business Ethics, Transparency, and Accountability	879	-22%	635	-13%
Escalation of ESG Risks	170	83%	128	146%

Initiative	Total votes	# of vote escalations	% Escalated based on stewardship targeting	% VAM (total)
Climate Risk 1.0	138	25	44%	47%
Climate Risk 2.0	100	15	83%	25%
Inclusive Talent Management	74	9	70%	20%
Racial Equity	96	—	—	17%

For more information, please visit us at [nuveen.com](https://www.nuveen.com)

Votes included from reporting period July 1, 2022 – June 30, 2023. This report reflects proxy voting for the College Retirement Equities Fund (“CREF”), TIAA-CREF Funds, TIAA-CREF Life Funds and TIAA Separate Account VA-1 (collectively “TIAA-CREF Fund Complex”), the General Account of Teachers Insurance and Annuity Association of America (“TIAA”), and Nuveen Asset Management (NAM), which comprises approximately 94% of Nuveen, LLC equity assets under management as of June 30, 2023. As a result of the One Nuveen proxy initiative, effective 10/1/2022, the TIAA-CREF Fund Complex and Nuveen Asset Management, LLC follow the same voting processes and policies.

Throughout this report, successful engagement outcomes are reported where Nuveen believes that our discussions with a particular company helped to improve or change the company’s ESG management. While we undertake thorough company-by-company research to determine outcomes and seek to only represent those that followed Nuveen engagement, it is important to note that data gaps, inconsistency and the timing of company ESG disclosure can distort the outcome chronology in ways that we may not be aware of. Further, the company’s engagements with other investors, the broader market and/or regulatory pressure may also play a role in any company decisions regarding ESG. In fact, when there is greater market and regulatory coalescence around ESG issues, successful outcomes are more likely. As such, we always encourage company engagement with a wide range of stakeholders and also actively engage policy makers and regulators on ESG best practices.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell or hold a security or an investment strategy, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor’s objectives and circumstances and in consultation with his or her advisors.

The views and opinions expressed are for informational and educational purposes only as of the date of production/writing and may change without notice at any time based on numerous factors, such as market or other conditions, legal and regulatory developments, additional risks and uncertainties and may not come to pass. This material may contain “forward-looking” information that is not purely historical in nature. Such information may include, among other things, projections, forecasts, estimates of market returns, and proposed or expected portfolio composition. Any changes to assumptions that may have been made in preparing this material could have a material impact on the information presented herein by way of example. **Past performance is no guarantee of future results.** Investing involves risk; principal loss is possible.

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Investing involves risk; loss of principal is possible.

Responsible investing incorporates Environmental Social Governance (ESG) factors that may affect exposure to issuers, sectors, industries, limiting the type and number of investment opportunities available, which could result in excluding investments that perform well. ESG integration is the consideration of financially material ESG factors in support of portfolio management for actively managed strategies. Financial materiality of ESG factors varies by asset class and investment strategy. Applicability of ESG factors may differ across investment strategies. ESG factors are among many factors considered in evaluating an investment decision, and unless otherwise stated in the relevant offering memorandum or prospectus, do not alter the investment guidelines, strategy or objectives.

Nuveen, LLC provides investment solutions through its investment specialists.

