

TIAA-CREF: Leadership in

Responsible Investing

2014 REPORT



Financial Services

A commitment to responsible investing

As one of the world's leading institutional investors, TIAA-CREF is committed to conducting our business in ways that promote the financial well-being of our investors while also promoting the economic, social, and environmental well-being of the world in which we operate. This is what drives our embrace of responsible investment principles. By emphasizing long-term value creation, we believe that we can deliver economic, social, and environmental sustainability alongside robust, long-term investment returns.



Our \$569 billion in assets under management as of March 31, 2014 are entrusted to us by our clients, who look to TIAA-CREF to help them achieve lifelong financial well-being. As we strive to make a difference in their lives, we work hard to develop investment strategies and approaches that consider environmental, social, and governance (ESG) factors without sacrificing financial return. Our Social Choice products, with nearly \$16 billion in assets under management as of March 31, 2014, are the most visible representation of this commitment – and they make us one of the largest managers of responsible investing assets in the United States.

This report highlights some of the activities we undertook in 2013. Notably, TIAA-CREF Asset Management became a founding member of the Investment Leaders Group, a three-year project in which 11 leading global investment institutions are working to shift the investment chain toward responsible, long-term value creation. We also continued our work as a signatory to the United Nations Principles for Responsible Investment, the international network of investors seeking to incorporate ESG issues into investment practices across asset classes.

TIAA-CREF is proud of our four-decade commitment to responsible investment principles and of the progress we have helped make possible. We continue to lead and evolve our program. Like everything else we do, it is grounded in our commitment to the financial well-being of the remarkable people and institutions we serve.

Roger W. Ferguson, Jr.
President and Chief Executive Officer

Robert Leary
EVP, President of Asset Management

Achievements in 2013/2014



Outcomes:

In 2013, we cut **greenhouse-gas emissions** across our real estate portfolios by approximately **54,500 metric tons** through improved efficiencies, which lowered utility costs by an estimated \$15 million.



Commitments joined:

TIAA-CREF became a founding member of the **Investment Leaders Group (ILG)**, a three-year project designed to influence mainstream thinking on investment towards responsible, long-term value creation.

TIAA-CREF joined the **Global Real Estate Sustainability Benchmark (GRESB)** organization, an international initiative that seeks to evaluate and improve sustainability best practices in the global real estate sector.



Awards:

TIAA-CREF was the **2013 aiCIO Industry Innovation Award winner** in the category “Strategy & Tactics: SRI/ESG strategies”, for our company wide push – from fixed income to real estate – toward responsible investing techniques. Presented annually, these awards recognize the most innovative and positive work being done for, and at, the world’s largest pensions, endowments, foundations, and sovereign wealth funds.

In 2014, TIAA-CREF received the U.S. Environmental Protection Agency’s **ENERGY STAR Partner of the Year award** for the seventh consecutive year, and for the fifth consecutive year at the Sustained Excellence level—the program’s highest honor.



Size of influence:

Managed **\$15.7 billion in assets across our Social Choice product suite**,¹ making TIAA-CREF among the largest managers of invested assets incorporating ESG criteria.

Allocated **over \$1 billion to Proactive Social Investments**,² which is TIAA-CREF’s proprietary framework for identifying public fixed-income securities that provide potentially competitive risk-adjusted returns alongside measurable social and environmental benefits.

TIAA’s General Account Social Impact Investment Program portfolio totals **\$700 million** as of March 31, 2014. In 2014, we made investments totaling nearly \$66 million focused on low-income communities that provided investment support in areas such as affordable housing, financial inclusion, and basic services like childcare, education, healthcare and environmental improvements.

Through our **\$5 billion farmland platform**,¹ we directed capital to land maintenance and development, and integrate sustainable farming best practices into our investment management process.

To view the full [Responsible Investing report](http://www.tiaa-cref.org/ri2014), visit www.tiaa-cref.org/ri2014.





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¹ As of March 31, 2014

² As of year-end 2013

The initiatives described in this material involve risks that could result in loss of principal. Because social screening criteria exclude some investments, the variable annuity accounts and mutual funds referenced in this report may not be able to take advantage of some market opportunities or trends available to accounts and funds that do not use these criteria. In addition, the variable annuity accounts and mutual funds are subject to other risks, which are described in their respective prospectuses.

Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income.

Payments from the variable annuity accounts [and mutual funds] are not guaranteed and will rise or fall based on investment performance.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161, or visit tiaa-cref.org for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.

The TIAA-CREF Social Investment Program and Global Real Estate Sustainability Initiative are not funded through any investment product nor do they contribute to the performance of any investment product. The sole funding source for the investments in the GMIP are assets in the TIAA General Account.

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY.

Social Choice product suite consists of the CREF Social Choice Variable Annuity Account, TIAA-CREF Social Choice Equity Fund, and TIAA-CREF Social Choice Bond Fund.

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