nuveen

A TIAA Company

U.K. Stewardship Code Report 2022 – 2023

The U.K. Stewardship Code and Responsible Investing at Nuveen

The U.K. Stewardship Code 2020 is a set of 12 ambitious Principles that set high standards for responsible investing practices on behalf of clients. In this context, stewardship is defined as the "responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society".

At Nuveen, we believe this to be consistent with our approach to responsible investing (RI).

We implement our RI commitment through capabilities developed at the enterprise level as well as through asset class specific activities based on a set of core principles: stewardship, ESG integration and, when consistent with client mandates, driving positive impact across our portfolios.

This is why in this report we focus on the role of the RI programme. As described in the rest of this report, RI is a strategic priority executed by a dedicated centralised team in collaboration with business partners across our global, diversified firm.

What’s inside

ABOUT THIS REPORT

This report covers activities for Nuveen, LLC during the period 1 July 2022 – 30 June 2023.

References to activities before and after the reporting period are included where applicable and relevant to provide further context.

Nuveen, LLC provides investment solutions through its investment specialists, including: AGR Partners, Arcmont Asset Management, Churchill Asset Management, Gresham Investment Management, Nuveen, Nuveen Green Capital, Nuveen Infrastructure (previously Glennmont Partners by Nuveen), Nuveen Natural Capital, Nuveen Real Estate and Winslow Capital.

Please note that within this report, references to ‘We’ allude to Nuveen as a firm, or to the specific teams/affiliates mentioned within the relevant section.

Arcmont Asset Management is excluded from the reporting scope of this submission. The acquisition of the firm by Nuveen was completed in March 2023 and Arcmont maintains its own signatory status to the U.K. Stewardship Code.

Information and case studies provided are intended to illustrate the application of the Principles of the U.K. Stewardship Code, in adherence to the requirements of demonstrating activities across asset classes. Disclosures are representative of activities undertaken by Nuveen and its affiliates, however they are not necessarily applicable across all affiliates, are not exhaustive nor are they intended to represent practices that are applicable to or encompass the entire diversified portfolio.

Introduction

Foreword

As stewards of more than $1 trillion in assets under management globally, we at Nuveen are committed to driving long-term investment value for our clients. Part of our fiduciary responsibility to them includes making research on environmental, social and governance factors available to every investment decision-maker because stakeholders demand it, prudent investment management requires it, and we believe that dismissing these factors creates greater long-term risks. In the year ahead we will maintain our commitment in this area, make investment adjustments where necessary and engage with management teams around the world to help them make decisions that benefit the varied needs of our clients, including those seeking to create long-lasting sustainable outcomes for communities and the environment.

STEWARDSHIP AT NUVEEN

We believe stewardship can unlock insights that drive long-term value creation. This approach, which is rooted firmly in our fiduciary duty to clients, is also designed to gain investment-relevant insights and meaningfully advance good governance, transparency, accountability and, where appropriate, real-world impact among issuers across our portfolios. We have seen stewardship promote dialogue with the companies in which we invest on topics that are important to our clients, and that helps us better understand the long-term risks and opportunities to their businesses, while giving us the chance to influence companies, stakeholders and members of the investment community to increase transparency and accountability to promote risk mitigation.

OUR COMMITMENT TO RESPONSIBLE INVESTING

While the past few years have presented ongoing challenges to companies, investors and society as a whole, as an asset manager we remain focused on long-term risk mitigation, firm stability and resiliency. In this endeavour, we will remain dedicated to advancing responsible investing practices while preserving and enhancing long-term shareholder value. Those practices include helping our clients reach their financial goals while enhancing the health and safety of communities, promoting affordable housing, supporting healthcare and education, and moving society closer to a clean energy future.

GOALS FOR THE REPORT

I am pleased to present our inaugural report written in line with the Principles of the UK Stewardship Code, which sets high standards for responsible investing practices on behalf of clients. This report aims to outline how Nuveen's approach to RI is aligned with the requirements of the UK Stewardship Code. This report shares examples and case studies from across our lines of business that demonstrate Nuveen's work corresponding to the 12 Principles of the Code.

OUR FIRST REPORT AND THE WAY AHEAD

This inaugural UK Stewardship Code report builds on our history of providing clients and other stakeholders with high-quality information on our activities and how they meet client needs and our own commitments. By describing our beliefs, activities and outcomes with examples and case studies, this report aims to outline how our approach to Responsible Investing and Stewardship are aligned with the Principles of the Code across our diversified business.

We recognise that this first report is an important, foundational element as we strive to maintain high standards of responsible investing practices and continuously improve our reporting to demonstrate progress as well as identify areas to further strengthen. We thank the Financial Reporting Council for its commitment and leadership in advancing the highest standards of stewardship practices and reporting.

We hope you find our insights valuable, and we look forward to your feedback to ensure that we continue to meet the constantly evolving expectations of our clients while serving their best interests.

Jose Minaya
Chief Executive Officer, Nuveen

Purpose and governance

Principle 1 ▶ | Principle 2 ▶ | Principle 3 ▶ | Principle 4 ▶ | Principle 5 ▶

PURPOSE AND GOVERNANCE

Principle 1

Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Our vision

Investing to create an *enduring impact* on our world

OUR STORY, PURPOSE AND VALUES

Nuveen has been more than 100 years in the making, bringing together two of America's earliest financial institutions.

In 1898, John Nuveen founded the John Nuveen Company to create the municipal bonds that helped underwrite the building of roads, waterworks and other infrastructure that proved critical to America's rapid growth in the 20th century.

Two decades later, Andrew Carnegie's foundation created TIAA to help professors retire in dignity with lifetime income. John Nuveen and Andrew Carnegie shaped finance and investing at a time when the world was swiftly evolving — as it is today. The companies they founded had the kind of specialist knowledge and human spirit that earns and keeps clients' trust.

Our shared history culminated with the 2014 acquisition, when Nuveen became the investment manager of TIAA, one of the world's largest institutional investors,[1] a highly-rated[2] insurance company and a retirement provider. Nuveen is now a global investment leader, managing an array of public and private assets for clients around the world and on behalf of our parent company.

With diverse expertise across income and alternatives, we invest in the growth of businesses, real estate, infrastructure, farmland and forests. We believe our investments can meet our clients' needs and can help make an enduring impact on our world.

Nuveen and TIAA's shared values represent who we are and what we stand for:

- **Be client obsessed:** make evidence-based decisions, solve problems and innovate with a relentless focus on making a difference to those we serve
- **Champion our people:** seek differing perspective, provide candid feedback, operate with a curious mindset and pursue development to achieve and thrive like never before
- **Lead with integrity:** speak up, act intentionally and do the right thing to serve our great purpose
- **Own it:** take responsibility and act urgently and flexibly to deliver the best possible outcomes
- **Win as one:** work as one team, with an enterprise mindset, across organisational boundaries to achieve differentiated results

1 Pensions & Investments, 12 Jun 2023. Rankings based on total worldwide institutional assets as of 31 Dec 2022 reported by each responding asset manager, with 434 firms responding; updated annually. TIAA is the parent company of Nuveen.

2 For its stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) is a member of one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: A.M. Best (A++ as of 7/23), Fitch (AAA as of 8/23) and Standard & Poor's (AA+ as of 9/22), and the second highest possible rating from Moody's Investors Service (Aa1 as of 9/23). There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company's ability to meet policyholders' obligations and do not apply to any product or service not fully backed by TIAA's claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts or mutual funds, which will fluctuate in value.

OUR STRATEGIC INVESTMENT APPROACH

Nuveen is committed to long-term investing and managing risk for our clients. Working in collaboration with clients, Nuveen provides outcome-focused investment solutions designed to secure the long-term financial goals of institutional and individual investors.

Our investment specialists offer deep expertise across traditional and alternative investments through a wide range of vehicles and customised strategies.

At Nuveen, we have a responsibility to thousands of institutions and financial advisors representing the interests of millions of people around the world to generate reliable returns and build financial security.

Over the last several years, in alignment with the strength of our parent company's balance sheet, we have been building capabilities and strategies that are designed to help investors manage the risks posed by continued market volatility and uncertainty.

The first is centred around diversified portfolio construction. We look beyond the traditional 60/40 balanced portfolios of equities and bonds. Our approach can create an appropriate mix of investments both public and private, traditional and alternative, so portfolios can weather different market conditions. From real assets and natural capital to infrastructure and private capital, we have been building new platforms for years now, seeking to provide access to harder-to-reach investments that in our view can deliver long-term results.

Second is incorporating environmental, social and governance factors into our investment process.[3] We have a fiduciary responsibility to make sure that we continue to consider these factors in our thinking because clients demand it and prudent investment management requires it. We maintain our commitment in this area, make investment adjustments where necessary, and engage with management to help assets make decisions that drive returns and reduce risk.

Third is advancing income. For several years now we have worked on innovative solutions that aim to incorporate guaranteed lifetime income streams into defined contribution plans. As a wholly owned subsidiary of TIAA, and investment manager for its General Account, our position continues to be a significant advantage for the clients we serve, aligning our interests and goals for the long-term.

3 Nuveen considers ESG integration to be the consideration of financially material ESG factors within the investment decision making process. Financial materiality and applicability of ESG factors varies by asset class and investment strategy. ESG factors may be 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. Select investment strategies do not integrate such ESG factors in the investment decision making process.

OUR LEGACY IN RESPONSIBLE INVESTING

Our parent TIAA's legacy of responsible investing (RI) spans across half a century.[4] It provides us with a strong foundation by which we continue to build out our environmental, social and governance (ESG) integration principles, stewardship practices and impact frameworks across our US $1.1 trillion in assets under management.[5]

At Nuveen, responsible investing seeks to drive better outcomes for investors and, when consistent with client mandates, our communities and the planet. When embedding ESG factors into investment research, due diligence, portfolio construction and ongoing monitoring across asset classes, we seek to improve clients' long-term performance, identify potential risks and uncover opportunities for investors.

ENABLING EFFECTIVE RESPONSIBLE INVESTING

As described in the rest of this report, we have taken numerous actions over the years to enable an effective RI strategy. These include a robust governance matrix, a dedicated team structure, data capabilities, product innovation and collaboration with industry stakeholders.

For example, during the reporting period, we underwent a review of our governance structures, continued to enhance our data and technological capabilities, increased the size of our central RI team while further strengthening the presence of embedded subject matter experts in different business functions, and unified our proxy voting policies and procedures.

In addition, training activities delivered by the Learning and Development team are a key enabler of our culture, client focus and RI strategy.

New employees in the U.S., Europe and India, for example, attend an in-person orientation programme called Nuveen 101. During this three-day programme, employees across departments and experience levels undertake training on different areas of the organisation. New joiners attend sessions to learn about Nuveen's business model and clients, the relationship between Nuveen and the parent company TIAA, the history and practice of RI at both firms, and many other sessions, hearing directly from senior leadership.

In addition, new sales professionals and advisor consultants also undergo an in-depth onboarding programme focused on client business development. Conducted over multiple weeks, the sessions cover a variety of topics and include a dedicated module on our RI beliefs and capabilities.

4 We consider the shareholder proxy voting activity that TIAA conducted in the 1970s as the start of this history.

5 As of June 2023. Nuveen assets under management are inclusive of underlying investment specialists.

Separate from Nuveen 101 training programme, ad-hoc training sessions on relevant topics are also provided as needed. For example, in September 2022, dedicated training was delivered on the EU Sustainable Finance Disclosure Regulation (SFDR).

PUTTING THE CLIENT FIRST AND INVESTING ALONGSIDE OUR CLIENTS

We believe the best business decisions consider what's best for our clients. It drives how we analyse everything from resourcing and product development to talent management. We believe that focusing on the client ensures we help investors deliver on their short- and long-term investment goals, create opportunities and fuel progress.

Investing alongside our clients aligns us with their interests. We believe portfolios have the ability to perform better when a manager's and client's interests are aligned. Our shared legacy of service with our parent company TIAA, our like-minded partner approach and our distinct investment platform are how we deliver outcome-based solutions for our institutional clients.

Nuveen has established an investment specialist model to create value for clients by combining the scale and infrastructure of a large asset manager with the expertise of investment specialists across asset classes. Within fixed income, equity, real estate, real assets and multi-asset solutions, dedicated investment specialist teams focus on achieving successful portfolio outcomes. The platform also provides the opportunity to enhance the client experience by creating dedicated points of contact and enduring partnerships with clients.

As of June 2023, 72% of our assets were ranked 4 or 5 stars by Morningstar's independent research.[6] These ratings further attempt to demonstrate the strength of our investment practices and our focus on seeking to deliver outcomes that meet our client's needs.

***Principle 4 on page 23** provides further information on our responsible investing strategies to meet client needs.*

***Principle 6 on page 41** outlines our investment capabilities across asset classes.*

6 Internal Nuveen analysis. Please refer to Morningstar methodology for star ratings. Awards and ratings should not be considered a recommendation.

PURPOSE AND GOVERNANCE

Principle 2

Signatories’ governance, resources and incentives support stewardship.

ENTERPRISE GOVERNANCE STRUCTURE

The TIAA Board of Governors are responsible for defining the mission of TIAA, overseeing TIAA's business strategies and performance in consultation with the CEO and management, reviewing policy issues affecting TIAA, overseeing matters that could threaten the general reputation of TIAA, electing the members of the TIAA Board of Trustees, filling vacancies by appointment, and approving amendments to TIAA's charter and bylaws.

The TIAA Board of Trustees is currently made up of 13 independent trustees, plus TIAA's CEO and president, who oversee the management of TIAA. The TIAA Board of Trustees reviews and discusses reports on the performance of the company, its lines of business, plans and prospects, and addresses long-term strategic issues facing TIAA's businesses.

It safeguards the financial condition of the company by providing strategic guidance, approving risk appetite, determining investment policies and approving certain investment decisions, monitoring performance and providing oversight regarding the design and implementation of the enterprise risk management, compliance and internal control frameworks including:

1. Reviewing, monitoring, and approving business strategies and major corporate actions, including acquisitions and the launch of major lines of business and products, within the context of the company's risk appetite.
2. Reviewing management's assessment of major risks facing the Company and associated mitigation plans.
3. Selecting, evaluating, and compensating the CEO and engaging in succession planning for the CEO role.
4. Providing counsel on the selection, evaluation and development and approving the compensation of members of executive management and principal officers.
5. Preserving the reputation of the company, the integrity of its employees and the assets entrusted to the company.

The TIAA Board of Trustees has seven standing committees: Audit; Corporate Governance and Social Responsibility; Executive; Human Resources; Investment; Nominating and Governance, Risk and Compliance. These committees meet frequently and shape TIAA policies. They oversee operations and propose actions to the full board.

As a wholly owned subsidiary of TIAA, Nuveen's governance is embedded in the enterprise governance structures, including with specific oversight and accountability for responsible investing. Nuveen's CEO is a member of the TIAA leadership team.

Figure 2.1: Enterprise governance structure

OUR GOVERNANCE FOR RESPONSIBLE INVESTING

Our clients expect us to be intentional stewards of their investments. As a result, we take a thoughtful approach to RI governance, including periodically reviewing our structure against client, market and business expectations.

In 2022 and 2023, we partnered with our Legal, Risk and Compliance teams to undergo a holistic review of our governance structure to ensure a comprehensive approach. Through our cross-functional collaboration, we enhanced oversight committee charters, created new committees to meet evolving expectations, and retired obsolete committees.

We have established a robust and intentional governance matrix that extends across our programme to oversee, develop and implement strategic RI activities. In alignment with standard corporate governance frameworks, Nuveen's RI programme structure contains three pillars:

1. board oversight,
2. management committee accountability,
3. cross-functional/strategic project committees.

1. Board oversight

In recognition of the cross-functional nature of responsible investing activities, both the TIAA corporate board as well as the various fund complex boards retain direct oversight of Nuveen's RI strategy and operational execution. Given the inherent alignment of Nuveen's RI strategy with TIAA's enterprise approach to responsible investing and operations, the Nuveen RI team also directly supports the Corporate Governance and Social Responsibility Committee of the TIAA corporate board. Nuveen RI also remains an active participant across other TIAA board committees such as: Audit, Investment, and Nominating and Governance. Nuveen's RI board leadership provides critical alignment across operational and investment activities throughout the enterprise.

2. Management accountability

TIAA's Executive Committee as well as Nuveen's Executive Leadership Team provide accountability for our RI programme. The Executive Vice President and Global Head of Responsible Investing is a member of Nuveen's Executive Leadership Team and reports directly to Nuveen's CEO. Management meets regularly with more formal quarterly meetings dedicated to reviewing business unit performance, coordinating on risks and issues, and providing cross-functional updates.

3. Cross-functional/strategic project committees

To fill more tactical governance gaps, Nuveen's RI team leads and/or participates in multiple working groups and committees leading strategic initiative and critical business functions. This includes leading the ESG Council, which is responsible for providing oversight on firm-level RI strategy, industry commitments and branding/marketing decisions across both operational and investment-related ESG activities. The RI Steering Group also plays a vital governance role by ensuring responsible global growth through ESG-focused regulatory readiness and oversight on key messaging, reporting, products and services.

As with other functions, we have sought to design RI programmes that:

- credibly integrate RI oversight into existing bodies, reflecting the role RI plays alongside business considerations.
- enable us to identify and address gaps as needed with RI-led governance bodies, in concert with other key stakeholders.

The Nuveen RI team administers the firm's RI programme under the leadership of the Global Head of Responsible Investing, who reports directly to Nuveen's CEO, and is a member of Nuveen's Executive Leadership Team as well as Nuveen's Global Investments Committee. The committee brings together the most senior investment leaders from across the firm and draws from Nuveen's specialised investment affiliates as well as the firm's experts in asset allocation and RI.

Figure 2.2: Our RI programme has a robust and intentional governance matrix that extends across RI's entire strategic value chain

	MANAGEMENT COMMITTEES	BOARD COMMITTEES	CROSS-FUNCTIONAL OVERSIGHT BODIES
FIRM-LEVEL ESG STRATEGY	**TIAA Executive Committee** • Quarterly RI updates integrated within Nuveen's TIAA business review presentation • Ad hoc RI updates (latest in 2Q 2023) • Ongoing oversight on RI's TIAA strategic initiatives	**TIAA Corporate Governance and Social Responsibility** • Direct oversight for the enterprise ESG strategy and the Responsible Investing programme • Committee administered and owned by the RI team • Quarterly RI updates with a biannual TIAA Board retreat focused on RI strategy and education • Additional mandates for RI to present to the TIAA IC and other committees (compliance, nom & gov, etc.)	**ESG Council** • Oversight on firm-level RI strategy, commitments and brand/marketing • Direct BAU engagement with all departments touching ESG-related functions through the Deputies Group • Co-chaired by RI and TIAA COO and administered by RI team
BUSINESS UNIT ESG STRATEGY & EXECUTION	**Nuveen Executive Leadership Team** • Quarterly RI business updates in Nuveen's Quarterly Business Reviews (including accountability for strategic spend) • Ad hoc RI deep-dives (e.g. tech initiatives in 2Q 2023)		**International Operating Group** • Oversee Nuveen's international business strategy focused on business planning and go-to-market strategies • RI representation in quarterly/monthly steering groups
RI PRODUCTS, SERVICES & BUSINESS AS USUAL DELIVERY/EXECUTION	**Internal Committees** • Various committees created as needed across product, services, etc.	**Nuveen and TIAA-CREF Fund Boards** • Annual RI strategy deep-dives/quarterly product suite updates • Ratification of RI policies • Additional mandates for RI to present regular strategy updates to the UCITS board	**Nuveen Product Committee** • Formal charters/policies available • Integrated RI oversight embedded in policies/ procedures/ documentation • RI representation across public, private and executive committees

In addition, dedicated governance and oversight structures exist across our diversified portfolio of assets and affiliates as required and appropriate.

RESPONSIBLE INVESTING TEAM

Nuveen tailors its approach to responsible investing based on the needs and maturity of each asset class. The centralised RI team, comprised of more than 30 employees, collaborates across Nuveen and TIAA to share best practices, drive active ownership, develop and deploy ESG and impact tools, and promote consistency in our deployment of responsible investing across the firm.

During the period, we organised RI team members across four areas of functional expertise: ESG Strategy and Solutions, ESG Integration, Stewardship and Enterprise Strategy. This allows us to continue to develop innovative solutions for the dynamic challenges investors face. In addition to the four functions, the RI team forms working groups that consist of subject matter experts as needed, such as our climate working group which is responsible for addressing climate needs.

APPROPRIATELY RESOURCING RESPONSIBLE INVESTING

Nuveen's RI structure allows the firm to implement a unified policy and processes via a "central strategy, local ownership" model which strengthens accountability, ownership, effectiveness, ability to scale and credibility. Across Nuveen and its affiliates, over 75 full-time employees are dedicated to executing Nuveen's RI efforts, including over 30 in the centralised RI team. Including investment professionals (e.g. portfolio managers, researchers, traders) and distribution partners focusing on RI-branded strategies, over 110 employees across the firm are responsible for delivering Nuveen's RI capabilities to clients. In addition to the central RI team, implementation and execution are supported by embedded subject matter experts within the different asset classes, as well as dedicated specialists across marketing, product and distribution, and business enablement functions such as legal, risk, compliance and technology.

RI team members and embedded experts come with diverse personal and career backgrounds and different levels of experience, as well as a variety of academic degrees and professional qualifications relevant for their roles. For example, leaders on the RI team had an average of 13 years' industry experience as of February 2024, and over 40% are women. Leaders among the embedded subject matter experts had an average of 12 years of ESG-related experience, and over 70% are women.

DEVELOPING OUR TEAM MODEL

Due to the ever-evolving nature of responsible investing, Nuveen's RI leadership team and various oversight bodies, including the Nuveen Executive Leadership team, regularly evaluate the resourcing model supporting Nuveen's RI activities across all business functions. In recognition of the critical role that Nuveen's centralised RI team plays in driving the RI strategy forward, resources on that team have grown by more than 25% within the reporting period (27 as of July 2022 to 34 as of June 2023). Resource growth has primarily been concentrated within RI's data/technology team, which is a direct reflection of Nuveen's responsiveness to the vast landscape of evolving ESG data and client requirements. The RI team has also served as a launchpad for disseminating RI-focused talent into key businesses throughout the firm, including investments, sales, and corporate social responsibility teams.

Figure 2.3: Responsible investing focus areas

RESPONSIBLE INVESTING FUNCTION	FOCUS AREAS
ESG strategy and solutions	• Delivering solutions to meet dynamic and evolving client needs • Elevating Nuveen's RI market position • Building effective data, technology and analytics infrastructure
ESG integration	• Partnering with investment teams to consider financially material ESG factors in the investment processes, alongside traditional financial analysis, when appropriate for each individual asset class and strategy, and consistent with client mandates.* • Developing ESG integration and impact frameworks • Equipping investment professionals with access to ESG data, tools and training
Stewardship	• Influencing companies, issuers and the broader market • Undertaking research to execute proxy voting and engagement • Driving measurable outcomes through proprietary frameworks
Enterprise ESG strategy	• Driving a comprehensive and consistent RI strategy for the TIAA enterprise • Delivering RI solutions across retirement markets • Coordinating policy and board committee management

* Nuveen considers ESG integration to be the consideration of financially material ESG factors within the investment decision making process. Financial materiality and applicability of ESG factors varies by asset class and investment strategy. ESG factors may be 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. Select investment strategies do not integrate such ESG factors in the investment decision making process.

Given nuances of RI practices across asset classes, Nuveen's teams have opted for an embedded RI specialist model across real assets and private markets. As a result, there has been ongoing resource coordination between investment teams and RI. In 2023, we reached an important milestone by completing the embedded specialist model across major real assets/private markets sub asset classes. Nuveen's operations and technology teams also enhanced their support model for RI, real assets and public markets investment teams by adding dedicated specialists to support increasing client reporting requirements and fund-level transparency initiatives and reporting.

Nuveen's Executive Leadership team has also recognized the importance of embedding RI expertise directly in their business and have onboarded dedicated resources to drive their strategy forward. Nuveen's Legal Risk and Compliance team hired what is widely regarded as the industry's first ESG compliance head in the summer of 2022 followed by a dedicated ESG investment oversight professional.

DIVERSITY, EQUITY AND INCLUSION AT NUVEEN

Across our global firm, we are committed to promoting an inclusive culture. Nuveen's nearly 3,800 associates bring individual voices, perspectives and experiences to work every day. We believe this diversity not only makes Nuveen a great place to work, but also helps to deliver the best results for our clients. We are focused on creating an engaging and positive workplace that promotes the diversity of our people and perspectives.

We remain committed to driving for greater diversity and representation across our business and to supporting our colleagues to their full potential through the effective management of their careers.

Nuveen has a comprehensive set of commitments which are implemented across the business through various initiatives that we believe are critical to attracting, retaining and developing top talent that represents a diverse set of characteristics and backgrounds.

There are several initiatives in place to support diversity, equity and inclusion across our population. These are ongoing, multiyear activities which we continue to review, expand and strengthen as appropriate to respond to evolving business and client needs based on learning and feedback.

- Senior leadership commitment to reduce female under-representation – such as resources for leaders to support inclusion and talent development programmes.
- Enhanced recruitment strategies to attract diverse talent – such as our participation in youth education programmes and diversity associations working to promote social mobility and promote careers in investment management.
- Effecting change in the investment management industry through affinity partnerships – such as through Black Women in Asset Management (BWAM), Bright Network, Women in Tech and 100 Women in Finance, Diversity Project and Inclusive Employers. These groups help us reach a broader population across under-represented groups as well as connect and collaborate with our peers to provide opportunities to be successful in our field.
- Industry benchmarking – which provides us with insights on where we fall short of market leading practices allowing us to make improvements.
- Employee networks – voluntary, company-sponsored groups that are open to anyone at Nuveen who identifies with a group's focus or is interested in learning about any dimensions and be an ally for particular groups.
- Talent development and mentoring programmes – leadership development programmes that address areas such as inclusive leadership behaviours, skills development, career progression and mobility.
- Flexible working and inclusive benefits to support our employee base along four key wellbeing pillars: mental, physical, social and financial.

The representation data shown in Figure 2.4, collected as part of our internal Self-ID campaign, provides key insights into the demographic composition of our workforce.

PERFORMANCE MANAGEMENT AND INCENTIVES

At a firm level, talent and performance management includes an annual variable compensation programme for eligible employees. The organisation is committed to a pay-for-performance philosophy, and variable compensation is based on multiple firm- and individual-level factors.

Variable compensation is determined by certain criteria and performance targets, which could include RI/ESG-related goals and/or references to role-specific scorecards (inclusive of RI/ESG-related goals). If applicable and relevant for the role, RI/ESG-related goals are incorporated into performance reviews and compensation. Measurement against goals typically takes the form of key performance indicators (KPIs) or outcomes-based objectives. Within key business areas like investments, research and responsible investing, RI/ESG-related goals are cascaded and customised to reflect individual contributions towards the goal.

For the RI team, performance and variable compensation programmes are tied to executing and delivering on the firm's RI strategy, which is an integral part of

Figure 2.4: Nuveen workforce data through July 2023

ALL U.S. NUVEEN ASSOCIATES		U.S. SENIOR LEADERSHIP TEAM*		U.S. INVESTMENT PROFESSIONALS[†]	
Asian	16%	Asian	17%	Asian	17%
Black or African American	7%	Black or African American	8%	Black or African American	5%
Hispanic	7%	Hispanic	17%	Hispanic	6%
White	66%	White	58%	White	68%
Other race/ethnicities[††]	2%	Other race/ethnicities[††]	—	Other race/ethnicities[††]	1%
Not specified[¶]	2%	Not specified[¶]	—	Not specified[¶]	2%
Disability	3%	Disability	—	Disability	3%
Veteran	1%	Veteran	—	Veteran	1%
LGBTQ+	1%	LGBTQ+	—	LGBTQ+	1%
ALL GLOBAL NUVEEN ASSOCIATES		**GLOBAL SENIOR LEADERSHIP TEAM**		**GLOBAL INVESTMENT PROFESSIONALS**	
Female	37%	Female	23%	Female	28%
Male	62%	Male	77%	Male	72%

Source: Nuveen

* Senior leadership refers to Nuveen CEO Leadership Team

[†] Refers to both public and private investment professionals including portfolio managers, deal professionals, research analysts, traders, etc.

[††] Other race/ethnicities includes American Indian or Alaska native, native Hawaiian or other Pacific Islander and two or more ethnicities

[¶] Not specified includes associates who prefer not to identify

Scope: Includes associates employed by Nuveen Services LLC, shared services, and its subsidiary entities

Nuveen's overall business strategy and a key dependency to firm-wide results. Overall goals are measured with specific objectives and KPIs, which are cascaded to each team member for role-specific customisation. For example, in 2023 the RI team goals were centred on enhancing investment impact capabilities, building out technology and operational enhancements, and developing our next-generation client and thought leadership strategy. To ensure a cohesive firm-wide approach, the RI team also coordinates across other Nuveen business lines on embedded RI- and ESG-related goals. This often takes the form of joint project and resources planning, leading to cross-functional execution against a centralised RI strategy.

Performance and variable compensation programmes across Nuveen equities and fixed income teams may include goals related to RI and ESG which are cascaded as relevant and applicable. While expressions of these goals may vary by individual teams, goals are broadly related to delivering on continuous improvements on various ESG integration practices and initiatives, enhancing client led ESG capabilities, and supporting clients and investment teams with advanced ESG data, analytics and reporting.

An ESG performance goal is included in the Nuveen Real Estate talent and performance platform and cascaded down to employees. The goal is tailored to each job function and refreshed annually. Each employee is responsible for tailoring their ESG goal and metrics accordingly and these are reviewed by their manager. For example, portfolio managers are asked to consider the ESG strategy for the funds/portfolios they are responsible for, with regards to industry standards, market expectations and client requirements. This may, for instance, translate into a net zero carbon focused objective. Performance against objectives is reviewed as part of the annual talent performance cycle.

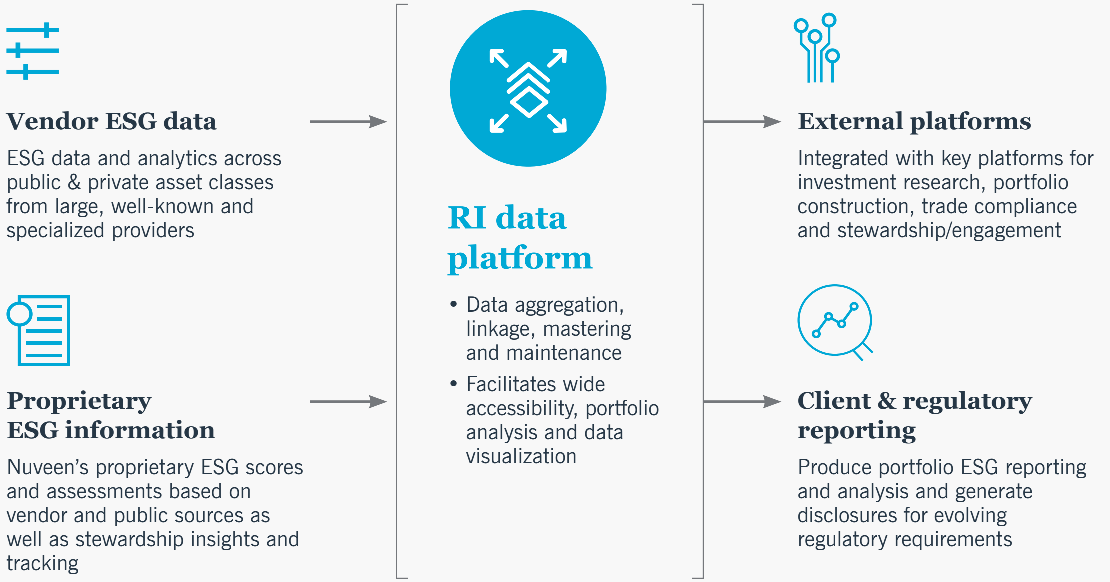
SUPPORTING SYSTEMS, PROCESSES, RESEARCH AND ANALYSIS

Nuveen's ESG integration activities are supported by both proprietary data and technology solutions as well as external service providers. Third-party ESG data is used as input to investment research, product development, engagement and proxy voting activities, and client and regulatory reporting. We leverage service providers and data vendors' expertise to complement our in-house responsible investing capabilities, ensure our activities are well-resourced and provide extensive coverage of ESG data types across diverse asset classes for investment teams to make well-informed decisions.

The RI team uses a diverse array of data sets and technology solutions such as third-party data ratings, raw ESG metrics, geospatial and AI-based assessments to create meaningful insights from a dynamic and expanding world of data. The team uses a number of platforms, including our in-house Responsible Investing Data Platform (RIDP) which was launched in 2018 to aggregate data from a wide array of internal and external sources. In addition to RIDP, we use investment research terminals such as Bloomberg and Factset to make ESG information broadly accessible and to support holdings and portfolio level analysis and decision-making. The availability of third-party data and our proprietary scoring models provide investment analysts with the tools to assess ESG risks and opportunities for an issuer or asset when relevant for the need of the specific strategy.

The team continues to build out enhancements to our capabilities as well as introduce new technology to support our ESG and stewardship practices. For example, expanding and further automating portfolio-level ESG analytics to better facilitate investment research and client

Figure 2.5: Responsible investing data capabilities



reporting, integrating new data sets with investment research platforms and taking advantage of latest available solutions to improve RI processes, ease of access and data integrity. In 2024, the team is also planning to implement enhanced issuer engagement tracking capabilities, which will further support connectivity between stewardship activities and the investment research process as well as provide more accessible and systematic reporting of engagement activities and outcomes. We believe these ongoing efforts support greater insights, innovation and transparency around responsible investing.

*Please refer to **Principle 7 on page 48**, **Principle 8 on page 56** and **Principle 12 on page 81** for further information on our systems, processes, research and analysis as well as on how we work with service providers.*

REFLECTING ON EFFECTIVENESS

We believe that the overall governance, team organisational model and available resources performed appropriately during the period to deliver on our goals. As needs arise, we consider which changes may be required to ensure design and resourcing remain fit for purpose.

For example, as previously mentioned, we worked with our Legal, Risk and Compliance teams to enhance cross-functional collaboration and improve the governance around responsible investing, which was identified as a key strategic business area. One of the key results of this review was the creation of the ESG Council in April 2022. The Council meets quarterly as a forum to elevate governance and connectivity across the enterprise. A Deputies group, comprised of practitioner representatives for each Council member, meets bi-weekly, driving execution and implementation of key priorities as identified by the Council. Together, the Council and Deputies group combine top-down and bottom-up insights to assess effectiveness and make needed adjustments.

Internal review and assurance activities, such as audits, and external assessments and benchmarking provide useful insights and independent views on the effectiveness of policies, processes and procedures, with opportunities to implement improvements. We also seek to remain in tune with market dynamics and appropriately respond to evolving market conditions and client needs. In the second half of 2023, we began implementing changes to the organisational and operating model of the RI team to better respond to emerging developments and client priorities. More information will be shared in future reporting.

PURPOSE AND GOVERNANCE

Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

CONFLICTS OF INTEREST POLICY

Nuveen is committed to honesty and fair dealing and is mindful of avoiding potential conflicts of interest regarding business ethics and integrity. It is our policy to protect the interests of each of our clients and to place the client's interest first in every situation. These commitments are articulated in the firm's Code of Business Conduct, which every employee acknowledges annually.

Nuveen maintains robust controls related to all trading and operational processes, proxy voting and various activities related to ethics including but not limited to personal securities transactions, material non-public information, gifts and entertainment, and outside business activities. These areas are supported by written policies and a substantive governance framework.

The firm's responsibilities include, but are not limited to, providing full and fair disclosure of all relevant facts and any potential or actual conflicts of interest, a duty of loyalty and good faith, safeguards for the privacy protection of client records and information, and seeking best execution of all client transactions.

As an integral part of its obligations, Nuveen's employees are obligated to avoid conflicts of interest wherever possible and to fully disclose all facts concerning any conflict that may arise. When there are questions regarding a potential conflict, employees are advised to seek guidance from their supervisor, the Nuveen Ethics Office or their compliance or legal officer before any action is taken. Nuveen has adopted policies and procedures to address and mitigate such conflicts should they occur.

Given the importance of voting in the stewardship context, this section focuses specifically on our approach to conflicts management in the case of proxy voting. As mentioned, however, Nuveen also maintains written policies to support its management of potential conflicts of interest that may arise in its business more generally.

By way of representative overview of Nuveen's policy framework for management of actual or potential conflicts of interest we have set out descriptions of conflicts that may arise in the context of Nuveen's public markets business (at present US-based) and private markets business (with a focus on the management of conflicts in relation to real estate) and provided selected examples of the policies and controls which Nuveen maintains to ensure that clients' interests are put first.

Similar policies and controls are in place across Nuveen's other business lines, though as a complex diversified manager the details of those policies and controls will vary between Nuveen affiliates and businesses, as necessary to reflect the regulatory and legal framework and business context.

DESCRIPTION	EXAMPLE OF POTENTIAL CONFLICT OF INTEREST	KEY MITIGATING CONTROLS	POLICIES
Allocation of investment opportunities The advisor may determine that investment opportunities, strategies, or particular purchases or sales are appropriate for one or more client accounts, but not for others, or are appropriate but in different amounts, terms or timing than is appropriate for other client accounts. The amount, terms or timing of an investment by a client account may differ from, and performance maybe lower than, investments and performance of other client accounts.	The advisor could favour certain types of client account over others (e.g., performance-based fee accounts, proprietary accounts or accounts with higher asset-based fees).	Allocation methodologies built into order management systems; rigorous oversight process regarding non pro rata allocations of bunched orders; policy exceptions approval process; order size limitations for tax-exempt municipal new issues; performance dispersion analysis of client accounts in similar mandates; Compliance surveillance; employee training.	• Equity trading policies and procedures • IPO and secondary offering allocation policy • Municipal bond trade allocation policy for secondary offerings • New issue municipal bond allocation policy • Taxable fixed income securities and derivatives trading policies and procedures • Allocations of real estate investments
Allocation of real estate investment opportunities The advisor manages pooled investment vehicles, joint ventures, funds and separate accounts investing in real estate and real estate related assets. These accounts may have overlapping investment strategies that could create conflicts of interest. It is a regulatory requirement for a fair and equitable solution. It is the policy of the advisor to allocate investment opportunities that fit the investment strategies of more than one account on an impartial basis and treat all clients fairly.	Real estate products could have competing mandates for limited investment opportunities.	Real estate opportunities are allocated on a strict rotational basis unless the Investment Allocation Committee (IAC) determines a deviation from the rotation that will result in a more fair and equitable outcome, taking into account the totality of the circumstances. Assets are allocated according to the account at the top most position of the rotation as it relates to competing mandates.	

DESCRIPTION	EXAMPLE OF POTENTIAL CONFLICT OF INTEREST	KEY MITIGATING CONTROLS	POLICIES
Aggregation and allocation of orders The advisor may aggregate orders for client accounts, in each case consistent with the advisor's policy to seek best execution for all orders. Although aggregating orders is a common means of reducing transaction costs for participating accounts, the advisor may be perceived as causing one client account to participate in an aggregated transaction in order to increase their overall allocation of securities in that transaction or future transactions. Allocations of aggregated trades may also be perceived as creating an incentive for the advisor to disproportionately allocate securities expected to increase in value to certain client accounts, at the expense of other client accounts. In addition, client account may bear the risk of potentially higher transaction costs if aggregated trades are only partially filled or if orders are not aggregated at all.	The advisor could favour certain types of client account over others (e.g., performance-based fee accounts, proprietary accounts or accounts with higher asset-based fees).	Allocation methodologies built into order management systems; rigorous oversight process regarding non- pro rata allocations of bunched orders policy exceptions approval process; Compliance surveillance; employee training.	• Equity trading policies and procedures • IPO and secondary offering allocation policy • Municipal bond trade allocation policy for secondary offerings • New issue municipal bond allocation policy • Taxable fixed income securities and derivatives trading policies and procedures
Best execution The advisor has an obligation to seek to obtain "best execution" of clients' transactions under the circumstances of the particular transaction.	The advisor could place trades with executing brokers based on factors advantageous to the advisor, such as to compensate a broker-dealer for promoting or selling mutual fund shares of proprietary funds managed by the advisor.	Quarterly third-party transaction cost analysis reviews; rigorous committee oversight, including by the advisor's best execution committees; Compliance surveillance; employee training.	• Equity best execution policy
Transaction errors The advisor shall at seek to resolve transaction errors in the best interest of client accounts so that following the resolution, the impacted client accounts is in the same (or better) position had the transaction error not occurred. In the event that a transaction error results in a profit to the client account, such profit will generally be retained by the client account.	The advisor could place trades with executing brokers based on factors advantageous to the advisor, such as to compensate a broker-dealer for promoting or selling mutual fund shares of proprietary funds managed by the advisor.	Rigorous committee oversight and transaction error correction process, Compliance surveillance; employee training.	• Transaction error correction policy and procedures

DESCRIPTION	EXAMPLE OF POTENTIAL CONFLICT OF INTEREST	KEY MITIGATING CONTROLS	POLICIES
Multi-hatted personnel Certain investment personnel of the advisor perform investment-related activities, specifically making, participating in, or executing investment decisions on behalf the advisor and one or more of its affiliates.	The advisor could benefit from and/or share non-public information with an affiliate; information gleamed from one affiliate could be used to benefit the other affiliate or employee's personal account.	Robust approval process for proposed multi-hatting arrangements; electronic communications monitoring; employee training. Compliance surveillance of investment teams personal trading; restricted list oversight	• Shared personnel policy
Transactions with affiliates The advisor is affiliated with other registered investment advisors and may enter into transactions and other agreement between or among advisors and any affiliate.	Self-dealing; the advisor or its affiliates could benefit by using non-public information about a client for personal gain; recommending affiliated advisors or funds for the purpose of receiving referral fees. As it relates to real estate, the advisor could engage certain affiliates such as the Nuveen Real Estate Project Management Services LLC for the purpose of providing professional services in connection with certain of the Company's real estate investments.	The advisor and its affiliates require written approval prior to a contemplated affiliated transaction for any advisor services and/or Products (both existing and new products); employee training. As it relates to real estate, affiliate relationships are governed by a board which contains key personnel from the investment team for oversight. The board is comprised of senior personnel of Nuveen Real Estate as well as senior personnel from the affiliates. An annual attestation by the affiliates is given to Nuveen Real Estate to show compliance to certain policies. Affiliate relationships are disclosed in the notes to the financial statements.	• Affiliated transactions policy and procedures
Funds of funds The advisor serves as the advisor for both funds of funds and the underlying funds in which the funds of funds invest.	Decisions by the advisor could lead to more beneficial outcomes for the advisor or its affiliates, such as greater compensation, increased assets under management and support for particular affiliated underlying funds that may benefit from increased assets or flows from the funds of funds.	The advisor has created an effective process for (i) the ongoing monitoring of the strategic and tactical asset allocations of the funds of funds, (ii) the selection and ongoing due diligence of the underlying funds utilized by the funds of funds, and (iii) determining and implementing changes to the funds of funds' glidepaths (as applicable) and rigorous committee oversight; employee training.	• Asset allocation oversight policy

CONFLICTS OF INTEREST IN PROXY VOTING

Nuveen's Proxy Voting Conflicts Policy has been designed to reasonably identify and manage material conflicts of interest arising out of business and personal relationships that could affect the stewardship of its proxy voting decisions. The policy uses a Conflicts Watch List to identify four categories of employees deemed to present a higher stewardship risk in relation to certain portfolio companies. These portfolio companies are included in the Conflicts Watch List. The categories include, but are not limited to, the Stewardship team and Advisory Personnel (which includes portfolio managers and research analysts) and their household members. These employees are required to report certain associations with portfolio companies. In addition, the policy has identified certain additional circumstances which constitute a potential material conflict, including, but not limited to, portfolio companies related to Nuveen's distribution and consulting partners.

Furthermore, Nuveen has identified certain conflicts may arise with respect to its proxy advisor and the proxy advisor is required to disclose those conflicts to Nuveen. The Stewardship team reviews and evaluates the disclosed conflicts and associated controls annually and reports its assessment to the Proxy Voting Committee (PVC).

In addition, Nuveen has a fiduciary duty to vote proxies in the best interests of its clients and must not subrogate the interests of its clients to its own. The Stewardship team and Advisory Personnel are prohibited from being influenced in their proxy voting decisions by any individual outside the established proxy voting process. The Stewardship team and Advisory Personnel are required to report to Nuveen Compliance any individuals or parties seeking to influence proxy votes outside the established proxy voting process. Furthermore, Advisory Personnel are prohibited from providing proxy voting recommendations for any company for which they or a household member have a conflict and must recuse themselves from providing proxy voting recommendations on Nuveen's behalf.

For further information on our proxy voting activities, please refer to ***Principle 12 on page 81****.*

IDENTIFYING, MANAGING AND MONITORING CONFLICTS

As noted above, Nuveen's process to identify and manage any instances of actual or potential conflicts related to stewardship incorporates a multiprong, risk-based approach.

The process begins with the Watch List of portfolio companies, as described above, that reasonably have the potential to influence a vote recommendation. The Watch List is regularly updated, as necessary, as new potential material conflicts are identified.

ISS's Proxy Exchange application is programmed to automatically alert the Stewardship team when a portfolio company has been added to the Watch List and

1) the Stewardship team has a recommendation that is in support of management, and

2) the Stewardship team recommendation is either contrary to the guidelines or the guidelines require a case-by-case review.

Once alerted, the Stewardship team uses an objective two-tiered process to determine if a potential material conflict exists and how to mitigate the conflict.

Mitigation process

TIER ONE – COMPANY LEVEL

A quantitative scoring system is used based on the Stewardship team's votes of the meeting under review as well as the past two years of vote precedent. Points are assigned with those proposals deemed most likely to provide management an incentive to influence the vote receiving the highest value.

TIER TWO – PROPOSAL LEVEL

If the quantitative scoring system determines a potential material conflict exists but the Stewardship team believes there is justification to vote contrary to the ISS benchmark recommendation, the Stewardship team member will submit an escalation form to the PVC for review.

HANDLING CONFLICTS

From the implementation of the One Nuveen Proxy Voting initiative in October 2022 to the end of June 2023, there were 243 score card reviews which resulted in 25 material conflicts escalated to the PVC.

When the quantitative scoring system indicated that the recommended votes by the Stewardship team were not favouring management, the potential conflict was not escalated.

One example that required escalation to the PVC related to a proposal to commission a third-party racial equity audit. The quantitative scoring indicated a potential conflict and ISS recommendation was in favour of the audit, while the Stewardship team vote was against.

ISS believed that a vote for this resolution was warranted as such disclosure would allow shareholders to better assess the racial equity impacts and effectiveness of the company's policies and practices.

The Stewardship team disagreed, believing the company had demonstrated transparency and accountability related to its various racial equity initiatives.

For these reasons, the Stewardship team considered support for the proposal was not warranted based on company-specific materiality and factors related to the strategy and oversight of the underlying issue. The PVC reviewed the escalation form and approved the Stewardship team's vote recommendation.

PURPOSE AND GOVERNANCE

Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

RISK MANAGEMENT

Nuveen seeks to maximise risk-adjusted returns for our clients and beneficiaries and places the utmost importance on effective risk management, including market-wide and systemic risks that have the potential to impact this objective.

In general, Nuveen's risk management framework integrates three core components:

- Governance – risk principles, organisational structure and oversight. Focus on independent controls, policies and procedures, and senior management involvement.
- Investment risk – risk controls at the portfolio level. Focus on key investment risks, stress testing and monitoring investment performance.
- Operational risk– risks in the ordinary course of business. Focus on systems to identify, assess and monitor risk, reviewing and strengthening internal control environment.

The Risk Management Committee (RMC) is comprised of senior leadership, including Nuveen's CEO and a number of the firm's executives. It oversees investment, operational and compliance risk profiles. The committee is ultimately responsible for instilling an appropriate risk culture within the firm, aligning risk with business strategy, defining risk appetite and approving risk policies and frameworks. The committee also assists the TIAA Enterprise Risk Management Committee (ERMC) in fulfilling its risk and compliance oversight responsibilities.

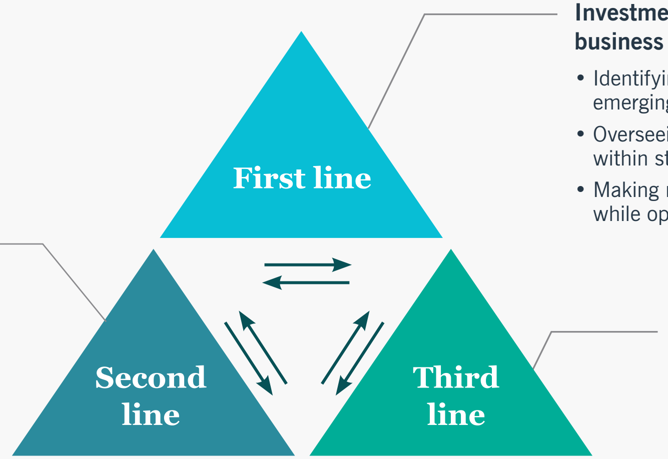
THREE LINES OF DEFENCE

Nuveen uses a range of tools and processes to measure, monitor and manage risk, and employs the industry-standard three lines of defence model to identify, assess and manage risks.

Within the three lines of defence framework, the first line (the investment teams) are expected to identify and manage risks to the portfolio and investment they manage. This includes market-wide and systemic risks such as interest rate, currency, geopolitical and climate risks. Each portfolio manager will manage these risks subject to the investment objectives of the fund and any risk management policies and procedures appropriate for the individual strategies they manage.

While each portfolio manager exercises agency in how they manage risks, there are areas where risks and opportunities are discussed at a centralised level within Nuveen. The Global Investment Committee (GIC) is a forum that includes the Chief Investment Officer of equities and fixed income and other business unit leaders. Both GIC and CIOs produce research and commentary that may be referenced by portfolio managers to align their portfolios. For other risks such as geopolitical risks and climate risks, there are centralised frameworks and processes that generate risk assessments and insights for investment teams to leverage.

Figure 4.1: The three lines of defence



GEOPOLITICAL RISKS

The Macro and Country Risk (M&CR) team within TIAA's Financial Risk organisation support's Nuveen's management of geopolitical risks. The team embeds geopolitical risk as a key factor in its core function of country analysis and reporting on sovereign risk for TIAA General Account's (GA's) international portfolio. With investments in over 100 countries, the team analyses each country's fundamentals and supplements that knowledge by conducting due diligence trips to key countries and regions on a regular basis. M&CR provides post-visit briefings and trip reports to the GA and Nuveen (Investment Risk and relevant sovereign analysts and portfolio managers) for awareness and insight.

As part of its core function, the team's country risk framework requires monitoring and oversight of the sovereign ratings process through a geopolitical lens. It also developed a reporting process that measures each country it invests in across risk categories including geopolitical factors within security, political stability and foreign trade. This is particularly useful to gauge risk for the firm's more illiquid private investments.

M&CR fuses data from a wide range of respected news sources and institutions with expert opinion obtained through participation in various geopolitical policy forums to provide leadership with the latest thinking on actual and potential risks. The team's manager is a member of the Council on Foreign Relations in the U.S., and through his connections with this forum as well as his relationship with leaders at the Center for Strategic & International Studies, has recently participated in several high-level government and industry workshops dealing with some of the most significant geopolitical risks on the horizon. The team also participates regularly with Academy Securities' Geopolitical Intelligence Group forums conducted by some of the U.S.'s foremost experts in foreign policy, national security and regional instability.

CASE STUDY

Responding to geopolitical risk events

Risk management among Nuveen research analysts and portfolio management has been adapting to the changing geopolitical environment since the Russian invasion of Ukraine in February 2022. A forum titled Geopolitical Risk Group (GRG) was formed, composed of the TIAA General Account CIO, the Head of TIAA Financial Risk, the Treasurer, the Head of International Government Relations and Nuveen portfolio managers and analysts.

The group meets biweekly to address geopolitical developments and, where needed, to consider investment restrictions that may result in roll-offs occurring as bond positions mature or in drawdowns as Nuveen portfolio managers selectively sell assets. The GRG also considers management actions that may be needed should the geopolitical risks ramp up quickly.

Following the actions taken for risk analysis of the Ukraine/Russia conflict, rising tensions between China and Taiwan prompted a similar risk analysis effort in the spring and summer of 2022. M&CR assessed the geopolitical risk using government and industry sources, including leveraging the team leader's membership in the Council on Foreign Relations to develop an in-depth assessment of the risks and current investment breakdown for China and Taiwan for the TIAA GA CIO and other stakeholders. Based on the results of the risk assessment, the GA office and M&CR placed an investment freeze on the existing portfolio, which from June 2022 to June 2023 resulted in a 32% exposure reduction from debt maturing with no rollover.

PUBLIC POLICY ENGAGEMENT

On a market-wide basis, we engage with regulators and policymakers as well as participate in ESG industry and standard-setting organisations to advance clear and practical reporting standards, transparency, greater accountability and investor confidence around ESG information.

In addition to formal policy consultations, TIAA, Nuveen, and its affiliates engage with policymakers at the U.S. federal and state levels as well as in the U.K. and other jurisdictions in Europe to articulate our positions on retirement security, ESG investments and RI practices.

CASE STUDY

Consultation on the U.S. SEC Climate Disclosure Rule

In June 2022, TIAA/Nuveen submitted a comment letter to the U.S. Securities and Exchange Commission (SEC) in response to its proposed Climate Disclosure Rule for public operating companies and certain collective investment vehicles. The rule requires issuers to disclose climate-related data in their registration statements and annual reports.

We expressed support for the proposed rule's approach, including support of the SEC's effort to mandate the disclosure of Scope 3 emissions (i.e., indirect emissions produced up and down the company's value chain) where material. We also recommended that the SEC incorporate a carve-out in the final rule for collective investment vehicles, including real estate investment trusts (REITs), business development companies and variable annuity products like the TIAA Real Estate Account. As we explained to the SEC in our comment letter, these types of investment vehicles are significantly different from publicly-traded operating companies. For example, they inherently have less transparency into the activities of the investments and entities that are part of their upstream and downstream value chain, which would make it more difficult for them to provide the required accurate and consistent information. We believe that these types of entities would have been more suitably included in a separate SEC rule proposal to establish new ESG disclosure requirements for investment companies.

In March 2024, the SEC finalized its long-awaited climate disclosure rule, which is notably less onerous than the proposed version. In response to comments from many stakeholders in the financial-services industry as well as a number of members of Congress, the final rule does not require companies to disclose their Scope 3 greenhouse gas (GHG) emissions but will require the disclosure of Scopes 1 and 2 emissions (i.e., direct emissions produced by the company and those emissions generated by the company's purchase of energy). The new final rule does not carve out collective investment vehicles.

We believe that the final rule is an important step towards ensuring that investors have access to reliable climate-related data to support informed investment decisions. The rule includes a phased-in compliance period beginning in 2026 and extending through 2033.

CASE STUDY

Nuveen Green Capital policy engagement

Commercial Property Assessed Clean Energy (C-PACE) is a state policy-enabled financing mechanism that allows building owners and developers in the U.S. to access low-cost, long-term financing to fund improvements in the energy performance of buildings.

As a pioneer of C-PACE policy and capital markets over the past 10 years, Nuveen Green Capital believes it is crucial that we use our voice to lead the industry and advocate for best practices with key policymakers and market players.

The key goal of our engagement is the broad adoption of policies in the U.S., stipulating that C-PACE-funded improvements create reductions in energy and water use and increase improvements in building design over and above minimum mandated standards. Additionally, we advocate for the expansion of C-PACE to include new categories of building technologies, which are becoming front and centre in a changing climate and energy transition — such as electric vehicle charging, low-emission building materials, and climate and environmental resilient infrastructure. Finally, we work with key partners across banking, capital markets and real estate to ensure C-PACE can have maximal impact.

In recent years, Nuveen Green Capital participated in the policy process for C-PACE adoption in multiple states and municipalities, as well as expansion of C-PACE policies to cover climate resiliency and environmental hazard mitigation.

While facilitating sustainability efforts, the programme reduces property owners' annual costs and provides better-than-market financing for green new construction.

CASE STUDY

Consultation on U.K. Sustainability Disclosure Requirements

In January 2023, we welcomed the opportunity to provide our perspective as part of the U.K. Financial Conduct Authority consultation on Sustainability Disclosure Requirements (SDR) and investment labels.

The objective of the regulatory framework is to discourage greenwashing within regulated firms and help investors better trust and understand the sustainable investment products in which they invest.

We commended the FCA's efforts to further these goals and expressed general support for the proposed approach to labelling and disclosure. We also shared with the regulator suggestions regarding the harmonisation of requirements with frameworks in other jurisdictions, and greater flexibility in the application of certain provisions. In our view, those modifications would enhance the requirement making it even more helpful for investors.

The final rules were released in November 2023. We appreciated the FCA consideration of our views and were pleased to see that the regulator took into account feedback received from the industry on key issues.

CASE STUDY

Consultation on EU electricity market design

In February 2023, Nuveen Infrastructure was pleased to respond to a consultation by the European Commission Directorate-General for Energy regarding electricity market design reforms being considered following the Covid pandemic recovery and Russian invasion of Ukraine.

The Commission's consultation sought to evaluate and scrutinise the current mechanisms which define the flexibility of the EU's electricity market. It included exploring the effectiveness of contracts for difference and the power purchase agreement market, as well as the role of hedging to mitigate exposure for consumers.

Drawing from Nuveen Infrastructure's decade-long expertise as a European specialist renewable energy fund manager, we provided technical feedback on the topics covered by the consultation. We noted key measures that we believed should be addressed to remove barriers, strengthen effectiveness, and improve policy settings for investors to accelerate deployment of renewable energy.

We welcomed the Commission's ongoing focus on the topic, recognising that energy price volatility in 2021 and 2022 had a detrimental economic impact in Europe. We set out that renewable power has a stable and relatively low cost of production and therefore can act as a tool to alleviate this social impact. We supported measures designed to both stabilise the price for consumers and to accelerate investment in renewable energy infrastructure across Europe, coupled with progressive policies to support energy demand reduction as countries look to enhance energy independence.

The consultation received large public interest, with over 1,300 submissions. In December 2023, the co-legislators reached a provisional agreement on the new rules, which are going through the formal adoption process in 2024.

INDUSTRY INITIATIVES

TIAA, Nuveen and its affiliates engage with a variety of national and international membership groups to play a prominent role in shaping best practices and industry standards. Joining these groups is both thoughtful and intentional to produce purposeful partnerships with organisations whose goals align with ours. This process is governed by an enterprise-wide policy which requires voting approval of or notification to the ESG Council (see ***Principle 4 on page 23***).

The table provides some examples of the groups in which Nuveen and its representatives have played a significant role during the period.

*A more comprehensive list of memberships in industry associations is provided in **Appendix II on page 94.***

Figure 4.2: Summary of participation in industry initiatives

INDUSTRY INITIATIVE	DESCRIPTION AND ACTIVITIES
Council of Institutional Investors (CII)	Since 2023, Nuveen's Global Head of Stewardship chairs the Corporate Governance Advisory Council, which provides input to the board and staff about CII activities that promote effective corporate governance and ways to enhance the value of membership.
Investor Stewardship Group (ISG)	Nuveen is a founding member of the group and a Senior Director of Nuveen's Stewardship team is a board member. The ISG was formed as a sustained initiative to establish a framework of basic investment stewardship and corporate governance standards for U.S. institutional investor and boardroom conduct. During the period, the group conducted a strategic review and continued to be a forum to share perspectives and best practices.
Ceres	Nuveen is a member of the group and a senior engagement analyst participates in the working groups related to Carbon Asset Risk, Policy, Midstream, Banks, Refiners. These working groups provide investors with the opportunity to convene and exchange perspectives on key issues, market standards and company developments which can inform engagement.
High Ambition Group of the Global Food Finance Network	Nuveen Natural Capital (NNC) joined this multistakeholder collaboration platform for advancing sustainable food system finance, convened by the United Nations Environment Programme (UNEP). NNC set the target of expanding the existing zero deforestation commitment to cover more geographies, and creating a natural capital asset register, both of which were achieved.
Investors in Non-Listed Real Estate Vehicles (INREV)	Nuveen Real Asset's Global Head of Strategic Insights chaired the INREV ESG committee in 2022-23. The organisation is Europe's leading platform for sharing knowledge on the non-listed real estate industry, with the goal to improve transparency, professionalism and best practices. During the period, the organisation produced sustainability guidelines for the industry and an ESG standard data delivery sheet to streamline the flow of ESG data from investment managers to investors; submitted responses to the European Supervisory Authority's consultation on Sustainable Finance Disclosures Regulation (SFDR) and published an SFDR Real Estate Solution Paper; delivered several ESG courses, including one facilitated by the Nuveen representative.
GRESB	Nuveen Real Asset's Global Head of Strategic Insights is a member of the GRESB Real Estate Standards Committee. GRESB issues standards for sustainability and ESG performance disclosure for commercial real estate. The Committee's responsibilities include establishing and maintaining a programme for the development of the GRESB Standards; reviewing stakeholder feedback, market research and gap analysis; driving working groups research and assessing their recommendations; prioritising and recommending improvements of the Standards to the GRESB Foundation Board.
Urban Land Institute (ULI) Greenprint	Nuveen Real Estate's U.S. Head of Sustainability is an active member of the ULI Greenprint group. ULI's decarbonisation programme is focused on climate mitigation and makes the business case for green buildings by tying carbon reductions to increased asset value. Nuveen Real Estate is a member of the ULI Greenprint NZC commitment and is also a sponsor and participant of the CRREM Pathways for North America working group — an effort led by CRREM, ULI, and Berkeley Lab.
ESG Integrated Disclosure Project (ESG IDP)	Churchill (part of Nuveen's private capital business) joined the executive committee in 2022 and remains an active participant in the initiative to address the challenges of ESG data availability in private markets (see further information in the case study under ***Principle 10 on page 69***). Churchill previously partnered with UN PRI signatories to develop the Private Credit-Private Equity ESG Factor Map, on which ESG IDP builds. ESG Factor Map aimed at streamlining ESG information shared during the investment process, facilitating collaboration between sponsors, co-investors and lenders and integrating existing ESG standards and frameworks.

REFLECTING ON OUR PARTICIPATION

We recognise that addressing market-wide and systemic risks are complex endeavours that require sustained collaboration among various stakeholders.

We seek to play our role by participating in several industry initiatives and policy consultations geared towards improving standards, promoting best practices and driving action on key risks. Many of these initiatives provide opportunities for collective action to address shared challenges and influence positive change.

We believe that by being active members of industry initiatives, we are contributing to achieving improvements in the functioning of financial markets, although it is challenging to precisely assess the extent of Nuveen's contributions. Several factors can support or hinder improvements, including broader market dynamics and regulatory actions, particularly in times of higher volatility. We expect effectiveness of industry-wide efforts to fluctuate over time. We remain committed to engage and work with stakeholders through different forums to drive continuous improvement.

*Please refer to **Principle 10 on page 69** for discussion on collaborative engagement, including through participation in industry initiatives.*

CLIMATE RISKS

We recognise that the effects from climate change may include significant risks to global financial assets and economic growth. We believe mitigating downside risk for our clients requires full understanding of the implications of climate risk.

Nuveen considers both physical and transition risks and opportunities in our investment process, as appropriate for each unique asset class and strategy, and consistent with client mandates. For asset classes such as real estate and real assets where impacts are expected to be financially material, we have operationalised climate risk management frameworks to ensure these factors are considered in the investment process. In many cases this analysis is underpinned by specialised training or education and access to asset-class specific climate data/models.

At the enterprise level, climate risks are multifaceted and must be identified and monitored through different lenses across the organisation. Nuveen's parent company TIAA began a phased buildout of a climate risk management framework in 2022, a map of processes that will help us take a consistent approach to how we invest, adhere to existing and evolving regulations, and operate our business efficiently. Our enterprise climate risk management framework will help us take appropriate actions and develop strategies for mitigating and managing the effects of climate change on behalf of our clients.

As part of the enterprise climate risk management framework, several risk teams across our firm are incorporating transition scenarios ('Orderly' and 'Disorderly') from the Network for Greening the Financial System (NGFS). To date, we have explored the impact of these scenarios on macroeconomic variables and credit ratings. We expect the NGFS scenarios to be continued to be explored by other parts of the organisation.

Figure 4.3: TIAA's climate risk management framework

Source: TIAA Climate Report 2023

Figure 4.4: Summary of climate data and uses

TYPES OF DATA	SOURCES	HOW IT IS USED
Carbon emissions	***Public markets:*** MSCI and internal estimates ***Private markets:*** Persefoni, Watershed, investee disclosures, modeled estimates and internally gathered data	***Enterprise:*** Both public and private data is housed in TIAA's enterprise risk data platform for enterprise disclosure reporting. ***Nuveen Equities and Fixed Income:*** Data is housed in Nuveen's RI data platform for client reporting. ***Nuveen Real Assets:*** Data is housed in databases managed by the investment teams and used for client reporting and regulatory disclosures.
Physical risk	***Public markets:*** RisQ for municipal bonds, Moody's for public corporates ***Private markets:*** VeRisk Maplecroft, MunichRE, First-Street Risk Factor, ClimateAi and The Climate Service	***Enterprise:*** Physical risk exposures are used to screen to identify areas that require climate risk controls. Scenario analysis is performed to assess potential financial impacts to TIAA. ***Nuveen:*** Physical risk exposures and/or scenario analysis are incorporated into investment processes. Integration is actively being explored for other asset classes.
Transition risk	***Public markets:*** MSCI Implied Temperature Rise and Climate Value at Risk, SBTI-verified company targets, government climate targets ***Private markets:*** Investee disclosures, industry/sector net zero pathways and qualitative risk assessments	Data is being evaluated for risk assessments and net zero implementation for the TIAA General Account and other clients.

Source: TIAA Climate Report 2023

ADDRESSING RISK THROUGH THEMATIC STEWARDSHIP

The past years have brought a significant number of new issues to the forefront of the ESG space, as well as a growing sophistication on evergreen topics.

Environmental issues are expanding beyond transition and physical climate to the interconnectedness of climate and nature, including land use, water use, biodiversity and more. We recognise that risks and issues such as climate change, resource scarcity and ecosystem degradation can pose systemic risks to the economy, as natural capital is an inherent dependency in many business models. Social issues have expanded beyond a company's direct workforce to customers and communities from a racial equity lens, as well as into companies' supply chains 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.

While companies cannot foresee or positively influence all systemic issues, we believe that over the long-term companies cannot generate sustainable value through exploitation of market or regulatory factors that have a direct, negative external impact on macroeconomic or systemic issues. We generally expect companies to acknowledge operational or growth effects associated with material systemic issues. While the disclosure expectations will vary based on the probability, duration and company- or industry-specific exposure, companies should be able to explain the risk oversight processes to monitor relevant risks.

We believe the world's climate and energy infrastructure are in a multidecade transition, where the precise timing is unpredictable and the most efficient means of decarbonisation may not always be the most practical.

Through our stewardship activities, we aim to support portfolio risk-adjusted returns and seek to address potential risks to the overall portfolio performance caused by individual investees' contributions to systemic sustainability issues.

Our targeted stewardship initiatives address thematic risks across our enterprise portfolio. Further information is provided under ***Principle 9 on page 61***.

CASE STUDY

Evolution of Nuveen's Climate Risk stewardship initiatives

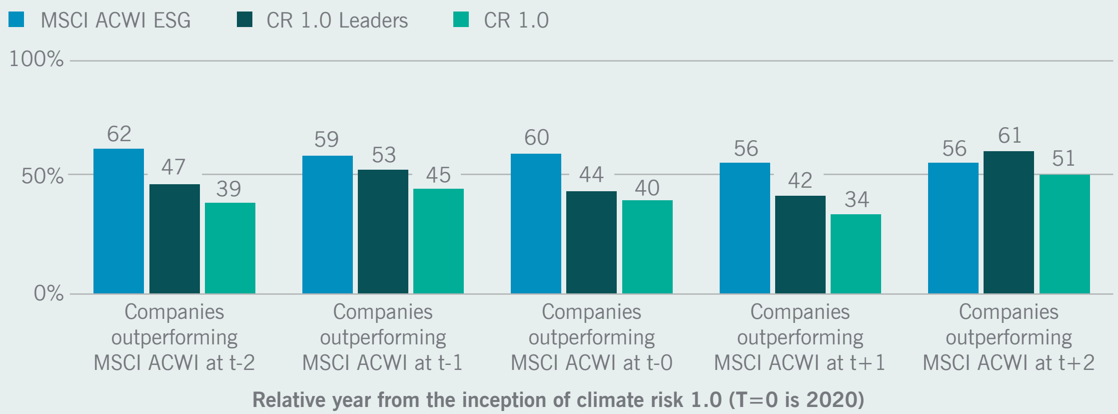
In 2020, we launched our climate risk 1.0 initiative, targeting 139 companies. We asked companies to produce reporting aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and to strengthen oversight and accountability for climate risk.

As shown in the chart, during the three-year period of active monitoring and engagement with the companies, we observed a correlation with real-world decarbonisation, notwithstanding variations in company-specific exposure and strategies.

Overall, the target companies had an average cumulative decarbonisation rate of 9.2% relative to the MSCI ACWI benchmark average of 3.3%. Prior to the initiative, the target companies overall were not decarbonising at the market-average rate. Over the initiative period, target companies on average did reduce emissions intensity at a rate greater than the market average represented by the MSCI ACWI benchmark.

Similarly, the leading target companies were initially not decarbonising at the same rate as the MSCI ESG focused companies, but over the period did have a higher proportion of emissions intensity improvement even when compared to an ESG-focused benchmark.

Figure 4.4: Percent of companies with cumulative GHG emissions intensity reduction outperforming the emissions intensity reduction of the MSCI ACWI average



Source: MSCI ESG Manager, 1/1/2017–12/31/2022. Calculated value from Stewardship Report CR 1.0 data analysis.

continued

CASE STUDY (CONTINUED): *Evolution of Nuveen's Climate Risk stewardship initiatives*

While the correlation does not necessarily identify a particular stewardship outcome or company strategy that creates impact, we believe it suggests positive results on the approach taken by Nuveen on climate stewardship. In our view, the signal sent to the target company correlates with above-market improvement in emissions intensity.

Some key takeaways from assessing the initiative informed our ongoing stewardship approach to climate risk, including the development of the climate risk 2.0 (CR 2.0) initiative:

- **Confirmation of financial materiality of climate risk and importance of effective disclosure.** To focus efforts on the most material risks in the portfolio, CR 2.0 followed the PCAF standard of assessing portfolio climate risk (using GHG Emissions Protocol) to calculate attribution factors that account for the relative ownership of the company's total carbon footprint.
- **Opportunities for improvement exist for most companies.** CR 2.0 has sought to establish industry-specific strategies for companies to shift focus from disclosure and oversight to business strategy alignment towards long-term climate transition pathways.
- **Emissions intensity is a benchmarking tool but an imperfect indicator of climate transition resilience.** CR 2.0 incorporates Scope 3 emissions into the assessment to better capture the macroeconomic, regulatory and market forces that are associated with the climate transition as well as the real-world impacts that stem from carbon emissions.

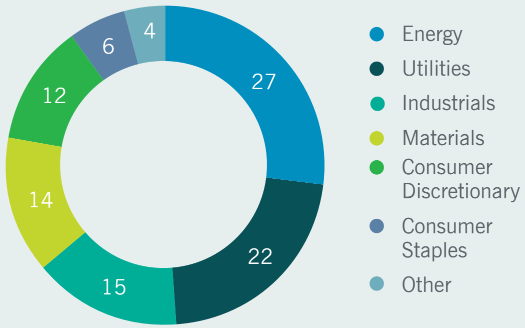
With the launch of our CR 2.0 initiative in 2022, we are raising expectations for 100 companies with significant climate-related financial risk and which account for the majority of our aggregated portfolio carbon footprint. Among other improvements from CR 1.0, the new initiative also expanded the scope of analysis to include listed fixed income holdings in addition to public equities. We believe this expansion reflects the ongoing development of our stewardship approach and the intent for our activities to include asset classes beyond public equities where relevant and practical.

In addition to the indicators set for CR 1.0, as part of CR 2.0 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 decarbonisation across this invesiving real-world impact.

Tracking company progress, the table highlights some of the areas where CR 2.0 has captured improvements.

Company-specific engagement case studies related to these initiatives are featured throughout this report. More information is available through Nuveen annual stewardship report.

Figure 4.5: CR 2.0 company universe by sector



Source: Nuveen, FactSet and MSCI. Company target universe determined using Nuveen AUM and company EVIC datat as of 6/30/2022. Utilizes companies' most recently reported or MSCI estimated scope 1, 2 and 3 data. Target universe determined from ~83% of Nuveen's public equity and taxable fixed income AUM, exclusions stem from: securities where there is no publicly traded corporate parent entity; companies where Nuveen is solely a debt holder; securities where no emissions data is reported or estimated for any scope.

Figure 4.6: Improvements captured through CR 2.0

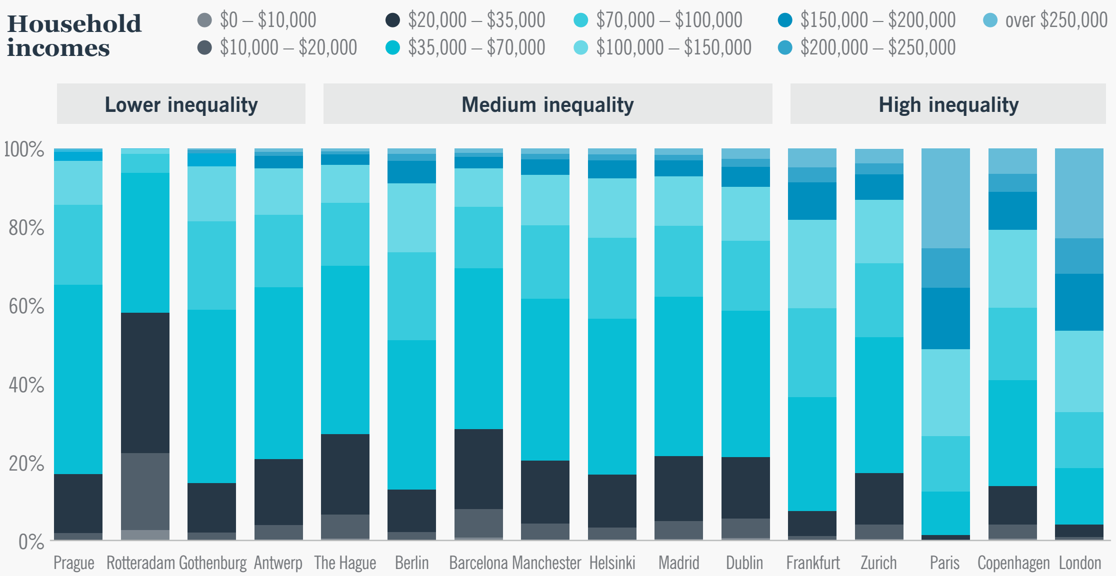
	NUMBER OF IMPROVEMENTS	DETAILS	
Transparency			
Climate risk disclosure	17	6 improved disclosure of physical and transition risk; 11 added or improved scenario analysis	
GHG emissions disclosure	14	2 had Scope 1 and 2 emissions verified; 12 added or improved Scope 3 disclosure	
Policy disclosure	7	3 improved disclosure of direct lobbying activity; 4 added or improved disclosure of indirect lobbying activity	
Accountability			
Risk management	8	8 added or materially improved their process of scenario analysis, particularly as it relates to disclosing quantitative impacts and related strategy decisions	
Governance	30	3 formalised board oversight of climate risks; 11 added directors with significant knowledge of climate or decarbonisation topics; 16 added or enhanced climate metrics in executive compensation	
Target setting	27	**Scope 1 and 2:**	3 improved disclosure of direct lobbying activity; 4 added or improved disclosure of indirect lobbying activity
		Scope 3:	8 added or improved near-term targets; 2 added or improved long-term targets; 1 added a net-zero target
		SBTI:	3 received validation for near-term targets; 4 received validation for long-term targets

ADDRESSING INEQUALITY THROUGH AFFORDABLE HOUSING

We recognise that a shortage of affordable housing options is an issue in the communities where we invest around the world, and this is directly tied to rising economic inequality which is a constraint on economic growth. Vulnerable populations worldwide have suffered disproportionate health and economic setbacks from the pandemic. Persistent social injustices — which are systemic in many cases — create the environment in which these disparities thrive.

Figure 4.7: Housing affordability is contributing to rising inequality

Risk of economic exclusion highest in most successful cities in europe



over 2x increase in Berlin rents since 2012

700K shortage of flats in Germany at end 2022

100K social housing units required per year

1.9M shortage of affordable flats in large cities in Germany*

Sources: Oxford Economics, 2023; Nuveen calculations, Q2 2023; Pestel Institut Bauen und Wohnen in der Krise 2023; empirica Wohnungsmarktprognose 2023.
* Hans-Böckler-Stiftung, study of 77 large cities over 100,000 inhabitants: https://www.boeckler.de/de/auf-einen-blick-17945-20782.htm.

We have been intentional about finding ways to bridge our core competency in real estate with community impact. Our housing impact portfolio is dedicated to creating change by placing environmental and social impact at the heart of our investment strategy, which ultimately seeks to drive better outcomes for residents and inclusive communities while delivering a risk-adjusted financial return.

Commercial real estate investors’ ability to impact housing affordability goes beyond supporting those most in need. We know the low-to-moderate income earners are vital to keeping economies going and communities need a strong diverse workforce. This demographic often receives a mix of government subsidies and in some cases earns too much to be eligible for public housing programmes. We believe that by supporting diverse rental housing opportunities across income levels, we are creating thriving communities that support strong real estate value creation across sectors.

CASE STUDY

German Living Impact Strategy initial investment

In 2022, we launched the German Living Impact Strategy to address the growing imbalance of supply and demand that is affecting housing affordability in Germany. One of the drivers of the housing shortage is the decline in new housing construction, due to the discontinuation of subsidies for sufficient social housing in Germany while construction costs remain high. Germany is also the second largest immigration country after the U.S.

Our first German Living Impact investment, in partnership with the Hopebearer Foundation, is built by developer HT Projektentwickler in modular wood construction. Rents are being secured 33% below market for 30 years, which seeks to provide the lower-middle class with access to high-quality affordable housing. In Muehlacker (Baden-Württemberg) the community will target a tenant mix made up of social housing tenants from the city and workers in the car manufacturing and technology sectors. Photovoltaic modules on the roof will provide tenant electricity at discounted rates and a community room will be at the tenants’ disposal for e.g. homework or training sessions, or the occasional tenant event. The social objective of the strategy is to provide housing for people with disadvantage characteristics in diverse and inclusive living environments actively managed by the foundation.

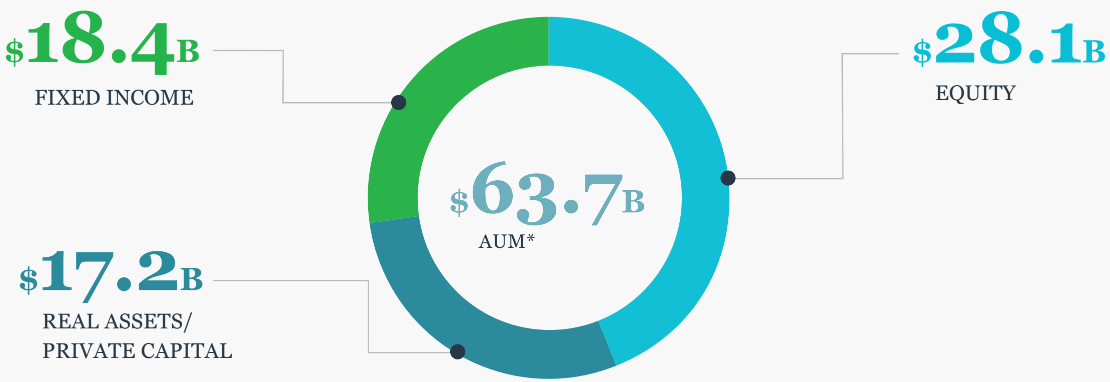
ALIGNING OUR INVESTMENTS

For most risk factors including market-wide and systemic risks, such as interest rate, currency, geopolitical and climate risks, Nuveen generally does not employ a top-down framework to align the investment strategies across all of its client's capital. Each portfolio manager has the agency to manage the risks as deemed appropriate for the strategies in-line with their goal to maximise risk-adjusted returns.

For Nuveen's products, we offer many strategies that can be aligned to our client's views and objectives on risks such as climate change. As a long-term investor, it is our responsibility to consider investment risks over a similarly long horizon. The scientific findings from the IPCC suggest that physical impact of unmitigated climate change will result in global economic damage over time, with damage increasing as warming increases. Furthermore, an orderly transition within the 2050 timeframe set out in the Paris Agreement is likely to deliver better economic and investment outcomes than a disorderly or delayed transition. As a result, we seek to align our investments in a way that mitigates climate-related risks and takes advantage of opportunities.

Nuveen has proudly offered its clients a variety of socially responsible and low-carbon products for over three decades. Against the backdrop of our $1.1 trillion assets under management, Nuveen's RI platform included over $63 billion in AUM as of June 2023.

Figure 4.8: Responsible investing strategies



* AUM as of 30 Jun 2023. Assets under management is inclusive of underlying investment specialists and any sleeves managed on behalf of TIAA's General Account with specific responsible investing criteria or characteristics inherent to the investment thesis/asset class. Capabilities can be reflected in strategies/vehicles across fund families, including affiliates and sub-advised agreements.

As our clients' perspectives, investment appetites and preferences shift in response to changes in market dynamics, we continue to expand our suite of offerings.

As a subset of this platform, we offer the following strategies across asset classes that allow clients to meet climate-related objectives of avoiding exposure to carbon-intensive assets, reduce carbon emissions of assets, and/or scaling climate solutions.

Each strategy detailed below considers climate in distinct ways. Some screen out high-emitting companies and industries, some align with planned decarbonisation over time at a rate aligned with the Paris Agreement, and others actively invest in the technology and tools necessary to help mitigate climate change.

Figure 4.9: Our climate investing strategies

CLIENT OBJECTIVES	FEATURES	STRATEGIES AND INVESTMENT SPECIALISTS	ASSET CLASS
Avoid exposure to carbon-intensive assets in portfolio	• Lower carbon footprint than the benchmark • Limited exposure to fossil fuel reserves	TIAA-CREF Social Choice Low Carbon	Public equity
		Nuveen ESG ETF Suite	Public equity
		Low Carbon Value ESG	Public equity
Reduce carbon emissions of assets	• Decarbonize over time at a Paris-aligned rate • Targeted company engagement program to reduce emissions (Scope 1, 2 and 3)	Nuveen Real Estate†	Real estate
		Nuveen Global Net Zero Transition	Public equity
		Nuveen Global Clean Infrastructure Impact	Public equity
		Nuveen Global Real Estate Carbon Reduction	Public equity
Scale climate solutions	• Support projects that support climate change mitigation and adaption • Capitalize on opportunities in the low carbon transition • Balance emissions exposures with lower or net negative carbon offerings • Low carbon intensity, with potential to generate verfied carbon credits	TIAA-CREF Green Bond	Fixed income
		TIAA-CREF Core Impact Bond*	Fixed income
		TIAA-CREF Short Duration Impact Bond*	Fixed income
		Nuveen Global Core Impact Bond*	Fixed income
		Nuveen Emerging Markets Impact Bond*	Fixed income
		Nuveen Global Impact	Private capital
		Nuveen Green Capital†	Private capital
		Nuveen Natural Capital†	Real assets
		Nuveen European Core Renewable Infrastructure	Real assets
		Glennmont Clean Energy	Real assets
		Nuveen Energy Transition Enhanced Credit	Real assets

Source: TIAA Climate Report 2023

* Please note that climate-related investments make-up less than 50% of the AUM in the Core Impact Bond, Short Duration Impact Bond, Global Core Impact Bond, and Emerging Markets Impact Bond strategies. These funds all employ Nuveen's Global Fixed Income impact framework and ESG Leaders investment criteria, of which climate objectives are part of a broader responsible investing mandate.

† Denotes Nuveen investment specialists with overarching sustainability programs that align with the corresponding client climate objectives. Each specialist offers multiple investment strategies; for details, please see https://www.nuveen.com/global/investment-capabilities.

CASE STUDY

Climate commitments by key portfolio assets

In 2019, Nuveen Real Estate signed the Better Building Partnership (BBP) Climate Change Commitment and published a pathway to achieve net zero carbon by 2040. To support clients' mandates on climate risk management, Nuveen Real Estate aims to align portfolio management strategies with a 1.5°C climate scenario through a series of activities focused on energy efficiency and market and operational best practices. Further details on specific activities are available in Nuveen's NRE ESG report.

In 2021, our parent company TIAA announced its net zero commitment for its General Account. It is one of the largest general accounts to commit to achieving net zero carbon emissions by 2050, driven by the belief that climate risk is investment risk. Nuveen is the investment manager of the TIAA General Account. Further information is available through *TIAA's Climate Report*.

REFLECTING ON EFFECTIVENESS

Market-wide and systemic risks and their potential impacts to the financials of Nuveen and its parent TIAA are managed through a rigorous risk management process and ensure alignment with Nuveen and TIAA's risk appetite and its business strategy.

We believe the various systems, policies, processes and initiatives outlined previously provide us with effective insights into material risks relevant for our business, investments and clients. We undertake periodic reviews and make changes as appropriate to ensure they remain fit for purpose.

Internal Audit Services (IAS) within TIAA, is an independent function established to examine and evaluate controls, activities and records through objective, independent audit and advisory services. IAS operates as the "Third Line of Defence" providing independent assurance on management's process for managing risks and the effectiveness of the control environment. IAS is a centralised corporate function that reports to the TIAA Audit Committee and provides audit coverage across business and legal entities of the TIAA organisation.

IAS works closely with the organisation's risk management and compliance functions to assess business risks across the organisation and collaborate on control and compliance reviews and related activities that impact the business and support areas.

PURPOSE AND GOVERNANCE

Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

POLICY REVIEW PROCESS

Nuveen reviews its suite of proxy policies annually, or more frequently if an update is required based on business processes, regulatory requirements or industry developments. Nuveen last amended its suite of proxy policies effective December 18, 2023.

Notable updates included adding language to the Proxy Policy to define the roles of the Stewardship team and portfolio managers with respect to the ultimate decision-making authority when voting proxies and expanding the Proxy Conflicts Policy to include additional senior executive employees.

Nuveen's suite of proxy policies undergoes an extensive review process with key internal stakeholders. These stakeholders include the Stewardship team, Legal, Compliance, the Proxy Voting Committee and various governance forums. When appropriate, Nuveen Legal engages outside counsel to ensure our polices meet regulatory obligations.

INTERNAL REVIEW AND ASSURANCE

Nuveen employs a "Three Lines of Defence" model as the basis for its compliance program and governance framework. This model represents a well-established, enterprise-wide approach to internal assurances and ensures consistency applied to RI with our risk management framework, described under ***Principle 4 on page 23.***

The first line of defence is the business functional manager. Nuveen's Global Head of RI is the functional manager and accountable to ensure efficacy and effectiveness in the execution of the firm's responsible investing in accordance with the guidelines and conflicts policy. The Proxy Operations team supports the business by conducting continuous monitoring of the proxy advisor.

The second line of defence includes Nuveen Compliance and TIAA Compliance. Nuveen Compliance (i) monitors adherence to policies, (ii) conducts periodic reviews of votes where material conflicts have been identified to determine whether the votes were cast in accordance with the policy, (iii) assesses whether the Stewardship team is updating the Conflicts Watch List in a timely manner, (iv) monitors for ballots not voted, and (v) conducts annual due diligence assessment to assess the effectiveness of their activities and reports its findings to the Proxy Voting Committee.

The second line is also charged with assessing the firm's residual risk through compliance risk assessments. TIAA Compliance conducts periodic testing based on residual risk. Furthermore, TIAA's Quality Assurance Team performs reviews of Nuveen Compliance's monitoring results.

The third line of defence is TIAA Internal Audit. The third line provides an independent review of the framework and control structure of the function under audit. Similar to the second line, the third line is charged with periodically testing the firm's policies. Unlike the second line, where Compliance annually tests the adequacy and effectiveness of the policies, the third line may take a more targeted approach, narrowing the breadth, but expanding the depth, of their reviews. Internal Audit reports to the CEO of TIAA.

These review and assurance activities are all regularly applied to Nuveen's stewardship and other RI activities, contributing to a strong control environment and continuous improvement.

EXTERNAL ASSESSMENTS

Nuveen is committed to continuous improvement and advancement of our RI capabilities such as enhanced transparency; new client reporting; frameworks, data and tools for both private and public market investment professionals and clients. Our commitment and progress have been recognised globally and received external validation, including the following:

- UN PRI: 13/13 modules scored at or above peer median – Nuveen, 2023[1]
- Responsible Investment Leaders Group, Responsible Investment Association Australasia – Nuveen, 2023
- BlueMark Practice Leaderboard, BlueMark – Nuveen, 2023[2]
- Green Star Designation, GRESB – Nuveen Real Estate, 2023
- Energy Star Partner of the Year, Sustained Excellence, Energy Star – Nuveen Real Estate, 2023
- America's Best Employers for Diversity, Forbes – TIAA, 2023
- Environmental Finance Bond Awards, Impact report of the year – Nuveen, 2022
- Morningstar Advanced ESG Manager Rating, ESG Commitment Ratings – Nuveen, 2022
- Certifications and third-party standards covering 78.5% of timberland and 60% of farmland portfolios – Nuveen Natural Capital, 2022[3]

Figure 5.1: Key accolades and industry involvement

* UN PRI, 2020. † Nuveen's 2023 score reflects our 2021 assessment due to incorrectly classified AUM and PRI reporting limitations. Assessment methodology can be found at https://www.unpri.org/reporting and assessment/how investors are assessed on their reporting/3066.article. †† The Impact Principles, 2020. ¶ Morningstar, 2022. § TIAA commitment which encompasses Nuveen/Nuveen affiliates. || Nuveen is signatory.

1 Nuveen has been a signatory of the UN Principles for Responsible Investment since 2009. The 2023 Nuveen assessment scores are based on 2022 reporting data

2 BlueMark provides third-party verification of adherence with the International Finance Corporation Operating Principles for Impact Management, which the fixed income impact team adopted in 2019.

3 Note that such certifications or standards are primarily a function of supply-chain demand, and that crops going directly into the food value chain (as opposed to feed) tend to have higher supply-chain requirements for certification

CONTINUOUS IMPROVEMENT

Internal reviews and external assessments afforded the RI team with the opportunity to seek continuous improvement of stewardship policies and processes by enhancing several internal controls. These controls included, but were not limited to, enhancing procedures to strengthen the marketing communications compliance review process. The enhancements included additional data capture and related controls to collect, track and validate material statements, confirmation of active memberships, and testimonials and references to awards and accolades used in marketing materials. In addition, the team sought to strengthen control processes with respect to conflict monitoring, and automation and centralisation of certain key processes.

FAIR, BALANCED AND UNDERSTANDABLE REPORTING

Nuveen is committed to providing fair, balanced and understandable stewardship reporting. To ensure this standard has been met for this report, several stakeholders reviewed and validated the accuracy and relevance of content from their areas, and ensured data and information used is not misleading or overstated. We have prepared this report taking into account the Financial Reporting Council's reporting guidelines and have sought to benchmark the report against peer reports and best practice.

Nuveen's marketing and communications content goes through a robust review process, spearheaded by the Enterprise Communications Compliance (ECC) team. ECC serves as a centre of excellence with a global support model. It provides expert advice and guidance for new and ongoing initiatives, and partnering in a consultative manner regarding the applicability of rules, regulatory and jurisdictional requirements, internal review standards and disclosure guidelines, and other compliance risk-related issues in the review and approval of advertising, marketing and financial promotions.

ECC provides compliance oversight with regard to applicable laws, rules and regulatory requirements, interpretative guidance, adopted industry standards and jurisdictional regulations set forth by federal, local, regional and state regulators, and self-regulatory organisations pertaining to marketing and communications content. Integral to this responsibility are policies to mitigate risk, procedures designed to help ensure consistency of operating processes, and monitoring activities that enable risk identification and improved controls. In addition, the team provides training and other support to business areas throughout the enterprise that are responsible for marketing and communications efforts.

Investment approach

Principle 6 ▶

Principle 7 ▶

Principle 8 ▶

INVESTMENT APPROACH

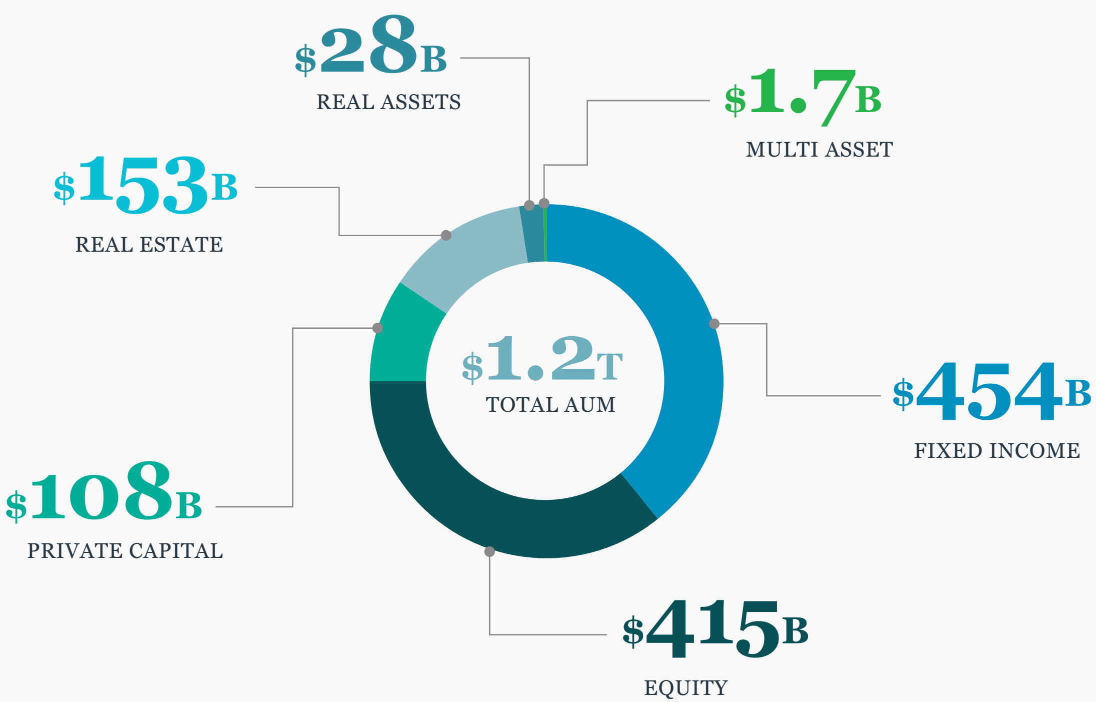
Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

NUVEEN'S PORTFOLIO AND CLIENT BASE

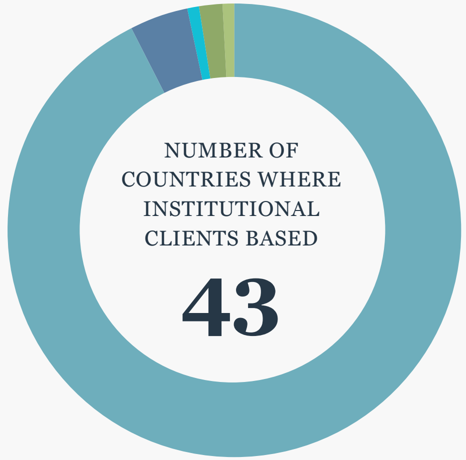
Nuveen's investment teams give clients direct access to a full spectrum of institutional-calibre investment strategies.

Figure 6.1: AUM by asset class (USD)



As of 30 June 2023.

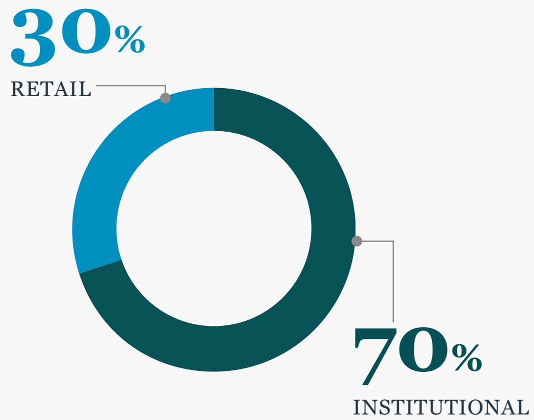
Figure 6.2: AUM by client domicile (USD)



United States	92.6%
EMEA	4.3%
APAC ex. Japan	0.8%
Japan	1.5%
Americas ex. USA	0.7%

As of 30 June 2023.

Figure 6.3: AUM by client type (USD)



As of 30 June 2023.

Figure 6.4: Country of domicile by security (USD)

	FIXED INCOME	EQUITY	PRIVATE CAPITAL	REAL ESTATE	REAL ASSETS	MULTI-ASSET	MONEY MARKETS
United States	$421.3B	$413.7B	$88.8B	$119.5B	$18.9B	$1.7B	$11.1B
EMEA	$4.0B	$870.3M	$12.8B	$25.9B	$6.2B	—	—
APAC ex. Japan	$2.2B	$37.8M	$2.5B	$4.7B	$425.1M	—	—
Japan	$15.3B	$519.7M	$17.0M	$1.5B	$443.7M	—	—
Americas ex. USA	$380.0M	$107.1M	$4.0B	$1.4B	$2.6B	$166.7M	—

As of 30 June 2023.

INVESTMENT TIME HORIZON ALIGNED TO CLIENT NEEDS

At Nuveen, we believe that it is critical that we invest in a manner that is consistent with our client's investment time horizon, understanding the key risks that must be considered and managed appropriately to accomplish our client's investment goals.

Nuveen offers a variety of different product strategies across asset classes, and therefore there is no single investment time horizon applicable, as this is typically client driven. We offer some examples to contextualise:

- Fixed income clients with specific cash flow needs, for example, will require a different investment strategy than those expected to make large withdrawals.
- Certain equity products closely track market benchmarks and can therefore have an indefinite holding period, as long as the security remains part of the relevant index.
- For other public equity funds, there is no standard holding period as securities may be held until they reach the target price and realise expected value, or until a better relative value opportunity is found.
- Private capital strategies may look at factors such as business phases, market cycles and capital markets environment when determining the appropriate investment time horizon for each strategy and the underlying clients.
- For multiasset solutions such as target date funds, tactical allocation and related investment time horizon varies depending on market volatility, beneficiary career stage and overall fund investment goals.

CLIENT ENGAGEMENT, INTERACTIONS AND FEEDBACK

Communicating with our clients to understand their views and feedback is paramount to Nuveen as we seek to deliver strong investment performance and meet client objectives across our products and solutions. Our Global Client Group, consisting of specialist Distribution, Consultant Relations, Relationship Management and Client Servicing professionals, is an established platform with presence in the markets we operate in the Americas, Europe and Asia Pacific. Working as a key interface between our investment teams and our clients, our Global Client Group is responsible for building and maintaining relationships, providing investment solutions, delivering market insights and offering support tailored to our clients' specific needs and objectives.

In addition to our relationship management teams, the Global Client Group also has Centre of Excellence (CoE) teams consisting of specialists focused on the operational support of our clients across the investment lifecycle. These teams include but are not limited to: RFP and DDQ, Data Delivery and Stewardship, Portal Management, Client Reporting, Business Transformation, and Transfer Agent & Financial Intermediary Oversight.

In close collaboration with our CoE teams, our Client Services team employs a multichannel approach to communication to ensure that our clients have access to timely information that suits their needs. This includes holding regular in-person and virtual investment update meetings, providing easy, secure access to quarterly and annual reporting via online platforms, such as the Nuveen Client Portal, and dedicated Client Services contacts across every product and client. Our Client Services professionals regularly interact with our clients to address queries and gather feedback on their experiences to continuously identify trends and opportunities for enhancement and collaborate across our business to address areas for improvement.

Figure 6.5: Summary of client engagement methods

CLIENT COMMUNICATION	KEY FOCUS	FREQUENCY
Fund update and advisory board meetings	Fund investment strategy, performance, outlook, asset tours	Annual, quarterly
Annual and quarterly reporting	Fund investment strategy, performance, outlook, ESG, sustainability, local regulation, investor specific requirements e.g. SFDR EET template, PAI data	Annual, quarterly
Individual client update meetings	Client-specific investment strategy, performance, outlook	Up to monthly and/or ad-hoc
Day-to-day support for queries	General information, reporting, data requests	Ad-hoc

CASE STUDY

Acting on client feedback to improve reporting quality

At the end of 2022, Nuveen onboarded a significant new segregated client mandate in the U.K. As the client began receiving our quarterly reports, they shared that the reports were hard to read and digest, and identified several areas which they believed needed improvements to make our reports more understandable. For example, they flagged inconsistencies in the ordering of certain sections, noted that the reports contained a lot of commentary, and noticed that the choice of colours used in charts and visuals created difficulties in differentiating among segments.

The client services team welcomed this detailed feedback from a new client with a fresh perspective on our reporting capabilities. We engaged with business partners in the investment and marketing teams to address the suggestions raised. Working together, we created a brand-new template showcasing an improved presentation structure, re-ordering the sections with more relevant metrics moving to the front, choosing more vibrant colours that would make it easier to differentiate content even when printed in black and white, and improving the overall style of paragraphs.

The revised template was presented to the client and the changes we made were met with positive feedback. The client was pleased with the updated format as they felt the improved reporting outline would better support the consumption of investment reporting and facilitate review and monitoring processes. They agreed to receive our quarterly reports for the mandate in this new template.

The team reflected on this experience and the valuable feedback received. We noted the opportunity to leverage the learnings and suggestions more broadly and deliver the benefits of the improved reporting format to other clients to enable them to better understand the information we provide. As a result, we made a strategic pivot to redesign existing quarterly reports. Since Q1 2024, we have begun transitioning reports to the new template through a phased approach, which will complete by Q1 2025.

UNDERSTANDING CLIENTS' PERSPECTIVE

EQuilibrium is an annual survey that is part of our ongoing commitment to understanding institutional clients' needs and to empower our people to forge deeper relationships with clients and consultants. It surveys 800 global institutional investors, who are not explicitly Nuveen clients but fit our client profile, to uncover new insights about the challenges and opportunities they face.

Based on Nuveen's input, our data partner conducts the 'blind' survey objectively and independently to ensure that respondents remain unbiased. Topics and questions are selected based on insights from across Nuveen and our clients, as well as incorporating market and wider geopolitical events to gauge client opinion. Some questions are retained year over year to gauge change over time, others change to explore new market dynamics and areas of interest or concern.

The findings enable us to continue building our understanding of our clients and their evolving priorities, identify and respond to market trends and dynamics, provide thought leadership on key topics, and inform our investment decisions and approach to stewardship.

Some of the key insights uncovered in the 2023 survey, conducted in October-November 2022, were around portfolio reallocations in light of geopolitical tensions and inflation, growing interest in private assets and alternatives, as well as climate risk and impact investing.

The 2024 annual survey was conducted in October and November of 2023. The latest results and findings are published on our website.

Figure 6.6: EQuilibrium survey 2023 overview*

RETHINKING MARKETS

59%

Rethinking, redefining or setting the reset button on portfolios

REALLOCATING PORTFOLIOS

72%

Planning to increase allocations to private investments

RESPONSIBLY INVESTING

71%

Prioritizing infrastructure for climate risk mitigation strategy

800 global institutional investors

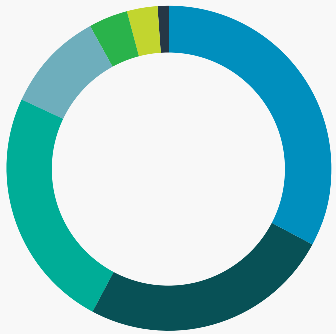
Asset levels **$500 million+**

Decision-maker roles only

Fielded by CoreData **Oct–Nov 2022**

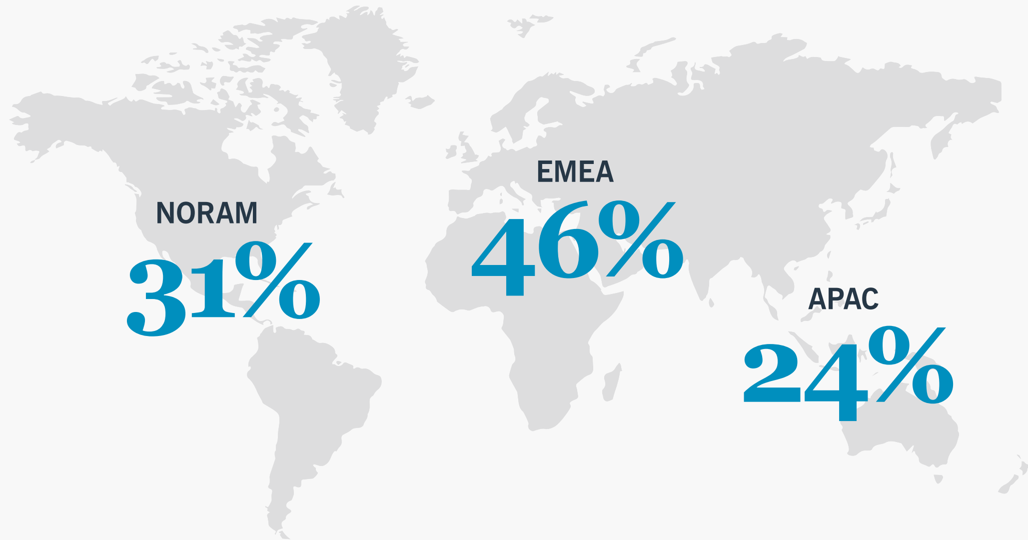
Margin of error of **±3.5%** at a **95%** confidence level

Institution type



- 33% Corp/private pension
- 25% Public/gov't. pension
- 24% Insurance
- 10% Endowment/foundation
- 4% Sovereign wealth/Future fund
- 3% Superannuation
- 1% Central bank

Region



AUM

58% Above $10 billion

42% $10 billion and below

* Total may not round up to 100% due to rounding

Source: Nuveen EQuilibrium survey 2023

INFORMING STEWARDSHIP THROUGH CLIENT ENGAGEMENT

We believe 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.

Engagement with clients and other market stakeholders helps inform our stewardship priorities and engagement activities. We gather feedback through several channels, such as one-to-one interactions (for example, individual client update meetings) and our institutional client-specific annual EQuilibrium survey.

We consider that feedback in framing our own stewardship priorities. For example, engagement with asset owners and perspectives from other stakeholder groups have informed further development of our views on topics such as just transition, global labour standards, human rights and artificial intelligence.

In addition, during the reporting period we recognised the increasing importance of biodiversity and nature-related topics for clients and the broader market. As a result, we began developing a targeted engagement initiative focused on this theme, which we launched at the end of 2023. We will provide more information on the progress and outcomes arising from this initiative in future reporting.

CASE STUDY

Stewardship opportunity from client focus on children's rights

In March 2023, a client contacted Nuveen's Stewardship team about an ongoing engagement with a large U.S. technology company to encourage it to better protect children's rights and safety online. The client was especially concerned with children's on-line sexual exploitation and potential for abuse through the company's products and services.

The client noted the emerging regulation on technology firms around disclosure, risk assessments and mitigation measures for harmful content. They also pointed to the company's perceived lower responsiveness to the issue compared with peers, and were seeking to raise the profile of the issues with the company through other investors.

We recognised the issue posed potential risks for the company, and welcomed the opportunity to build on our longstanding dialogue with the company to discuss this emerging issue which we had not previously addressed.

The client focus, combined with company engagement and our further research into the topic, prompted us to formulate some general views and expectations. We have continued to engage the particular company on the issue as well as taken our views on the theme into other company engagements in the value chain that allow children to access social networks and other virtual environments. Engagement with companies exposed to the issue and risks remains ongoing.

MANAGING ASSETS IN ALIGNMENT WITH CLIENTS' STEWARDSHIP AND INVESTMENT POLICIES

We are committed to taking steps to ensure assets are managed in accordance with client stewardship and investment policies.

With respect to segregated client mandates, information regarding clients' stewardship priorities and investment priorities is gathered through dialogue as part of establishing the mandate and, where relevant, captured in the investment guidelines agreed with the client.

Generally, we monitor closely funds and accounts offered to clients and the manner of monitoring differs depending on the nature of the mandate. For example, we offer funds and accounts that use one or more ESG factors as a significant or main consideration in selecting investments. For these vehicles, the consideration of ESG factors is binding. We also manage impact funds and accounts which seek to achieve a direct and measurable positive social or environmental impact alongside competitive risk-adjusted returns.

One way in which we seek to ensure that assets are managed in line with client's priorities and applicable fund documentation is through the work of our portfolio compliance function, which undertakes regular and systematic controls to ensure that portfolio composition and transactions remain in compliance with client guidelines and agreements, as stipulated in fund offering documents and other relevant documentation, (including management agreements for segregated mandates).

Portfolio compliance provides daily pre and post trade monitoring for segregated portfolios and funds which hold securities that trade on public markets, to detect and prevent potential transactions that would violate the investment policies, including ESG, for these portfolios.

Funds and accounts with an impact mandate are monitored both by portfolio compliance and the RI Team. On a quarterly basis, Compliance determines if there were deviations that required further review and follows up with relevant investment teams for resolution.

COMMUNICATIONS WITH CLIENTS ON INVESTMENT ACTIVITIES AND STEWARDSHIP

We provide a variety of dedicated sustainability, ESG and impact reporting to our clients and the market broadly to communicate our responsible investing and stewardship activities. These are generally published on an annual basis. We recognise the increasing client expectations in addition to regulatory requirements for sustainability and ESG reporting, which have been a priority for us as we strive to deliver insights to our clients and meet their demands.

Our reporting includes sustainability, ESG and impact reports for specific asset classes, and areas of our business as well as firm-level stewardship and climate activities. In addition to the various reports, we have created various maps that are a tool for clients to access further information on sustainability and ESG metrics for our farmland, real estate and fixed income impact portfolios.

Figure 6.7: Summary of Nuveen's reports

INTERACTIVE WEB MAPS

- *Farmland map*
- *Real estate map*
- *Fixed income impact map*

FIRM-LEVEL REPORTS

- *Annual stewardship report*
- *Annual climate report*

ASSET CLASS LEVEL REPORTS

- *Nuveen private equity impact report*
- *Agribusiness sustainability report*
- *Churchill sustainability report*
- *Fixed Income Impact Report*
- *Glenmont ESG report*
- *Nuveen Natural Capital sustainability report*
- *Nuveen Real Estate ESG report*

FUND-LEVEL REPORTING EXAMPLES

- *Core impact bond*
- *Green bond*
- *Short duration impact bond*

REFLECTING ON EFFECTIVENESS AND IMPROVEMENTS

We believe the various methods outlined in the previous sections to communicate and engage with clients provide us with useful and actionable insights to understand their needs. Challenges remain in terms of being able to stay abreast of the evolving needs of clients, considering Nuveen's diverse client base across segments and geographies.

One way in which we seek to address this is through the Nuveen client experience working group, which brings together key decision makers from across the business to steer the design of the overall client experience and measure and monitor success towards enhancing it.

For example, in 2022 the group analysed client views received through a survey to gauge their expectations and satisfaction with Nuveen. The survey was supported by a leading consultancy to benchmark our firm to the industry. The views highlighted strengths as well as areas requiring further focus across data, personalisation and training. The client feedback and internal analysis helped develop a roadmap of initiatives to address identified areas for improvement.

The client experience working group conducts workshops twice a year, and continues to monitor progress with ongoing surveying.

INVESTMENT APPROACH

Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

As outlined under ***Principle 1 on page 7***, Nuveen's responsible investing approach seeks to drive better outcomes for investors and, when consistent with client mandates, our communities and the planet. When embedding ESG factors into investment research, due diligence, portfolio construction and ongoing monitoring across asset classes, we seek to improve clients' long-term performance, identify potential risks and uncover opportunities for investors.

ESG INTEGRATION AT NUVEEN

We view ESG integration as the consideration of financially material environmental, social and governance information in the investment process. We believe the consideration of financially material ESG factors in investment research and portfolio management allows us to better assess potential risks and opportunities on behalf of our clients. Integration practices are implemented as appropriate for each asset class and strategy, and consistent with client mandates. While financial materiality and applicability of ESG factors may vary by asset class, industry, geography and/or investment strategy, Nuveen believes that driving transparency and adoption of ESG best practices across asset classes has the potential to benefit our clients.

At a firm level, Nuveen's ESG integration activities, implemented in collaboration between the Responsible Investing (RI) team, investment teams, and embedded subject matter experts, focus on identifying financially material ESG themes and factors and facilitating access to ESG information. Members of the RI team work closely with investment analysts, portfolio managers, risk management professionals and others across the organisation to drive scale and quality of ESG data and resources available to our investment teams. This has included work to:

- Identify material ESG factors across industry sectors
- Expand the use of ESG data and analytics, including climate risk data
- Develop proprietary ESG ratings and impact frameworks for select asset classes
- Diligence third-party ESG data providers

To support this work, Nuveen has dedicated members of the RI team who oversee the development of ESG data, analytics and reporting. Further, Nuveen's proprietary platform (RIDP) provides investment teams access to ESG information and aggregates Nuveen insights with a host of third-party ESG data sources (e.g. MSCI, Sustainalytics, ISS).

Investment professionals are generally responsible for considering financially material ESG factors alongside traditional financial analysis in their investment

Figure 7.1: ESG integration across asset classes*

Nuveen views ESG integration as the consideration of financially material environment, social and givernance information throughout the investment process

* Nuveen considers ESG integration to be the consideration of financially material ESG factors within the investment decision making process. Financial materiality and applicability of ESG factors varies by asset class and investment strategy. ESG factors may be 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. Select investment strategies do not integrate such ESG factors in the investment decision making process.

process, when appropriate for each asset class and strategy, and consistent with client mandates. Where relevant and consistent with the client mandate, this includes ESG analysis prior to investment, continued monitoring of ESG factors during the hold period, and through exit. For example, research analysts from different asset classes may assign internal ESG ratings and supporting commentary to potential investments in their active coverage universe. The analysis that Nuveen conducts is based on financially material ESG factors and data, alongside analysts' own proprietary views and research. These internal ratings and commentary are generally available to portfolio managers, along with additional ESG reports that provide better visibility into the ESG attributes of select portfolios.

Our stewardship and ESG integration activities are supported by a range of vendors and service providers. We provide clear and actionable criteria to service providers to support our ESG integration processes. For example, operating partners and property managers are required to adhere to Nuveen Real Estate sustainability guidelines, and we work closely with proxy advisors to support our stewardship efforts.

*For more information on how we work with data vendors and service providers, please refer to **Principle 2 on page 11**, **Principle 8 on page 56** and **Principle 12 on page 81**.*

*Please refer to **Principle 4 on page 23** for discussion on climate change risk.*

APPROACHES ACROSS ASSET CLASSES

Approaches to ESG integration necessarily vary by asset class, geography and client mandate. For example, availability of third-party ESG data and disclosure is generally more developed in liquid corporate asset classes, whereas non-corporate investments, such as securitized investments, and private markets may rely more heavily on internal research and direct dialogue with issuers to obtain relevant ESG information.

Similarly, material ESG factors may vary by geography and client mandate. For example, our investment teams focused on emerging markets may place greater emphasis on ESG factors associated with governance and the country of risk of a particular investment, relative to developed markets where regulatory environments are more developed. Further, certain strategies and funds consider specific ESG topics as binding criteria and part of their investment objective.

In addition, time horizon of an investment may also influence the materiality of ESG factors. For example, potential physical risks associated with climate change may be less material for shorter duration investments or client mandates that have shorter time horizons. Alternatively, physical risks may be more material for investments that generally have longer hold periods or less liquidity, such as private infrastructure and real estate.

Varying approaches to ESG integration are described by asset class in the following sections.

Fixed income

Within fixed income strategies, our approach to ESG integration and consideration of financially material ESG factors varies by team.

For example, our U.S. municipal bond research analysts may consider factors such as an issuer's governance structure, the political and regulatory environment, as well as potential reputational risks into consideration when developing internal credit assessments to the extent that these factors may impact the ability and willingness of borrowers to repay debt.

In addition, municipal research analysts may include climate risks as part of the credit risk assessment for municipal issuers. Factors analysed may include issuers' exposure and vulnerability to physical climate-related events and changes, their relative risks compared to other issuers, and their preparedness. Potential climate-related economic and fiscal impacts beyond damaged infrastructure may also be considered.

Our emerging market debt research analysts assign a proprietary ESG assessment to their credits that sit alongside their proprietary internal credit ratings. We believe that understanding ESG dynamics, particularly with respect to corporate governance within the corporate sector and social equality within sovereign entities, are important components of the overall fundamental due diligence process in the emerging market debt space.

Nuveen's Leveraged Finance team considers ESG factors in the initial underwriting and on an ongoing basis as part of our due diligence. The framework begins with a thorough information gathering stage, using a proprietary credit risk-focused questionnaire as well as a variety of third-party sources to collect information across financially material ESG factors that may affect the credit worthiness of an issuer. The ESG questionnaire is an important piece within our process given limited ESG data providers in the leveraged finance markets.

CASE STUDY

Physical climate risk analysis in municipal issuers

Climate risks may not necessarily present sufficient pressure on a rating to move it up or down, but incorporating the risk assessment into the credit process helps inform the analysis. The intent is to incorporate climate risk into the credit review process to provide a more comprehensive credit assessment.

As part of their ongoing monitoring process, during the reporting period the municipals research team evaluated climate risks for the following issuers, among others:

- A county water and sewer system in Florida with elevated hurricane and flood risk, making it one of the most vulnerable locations within the state.
- School districts with below-average wildfire risk in California, and above-average flood risk in Colorado.
- A city in Michigan, with below-average inland flood risk compared to other state cities.

Disclosures such as offering documents were analysed to understand whether the issuer disclosed relevant information to further inform the assessment.

The questionnaire is credit risk focused and designed to be industry specific, covering financially material ESG factors that may impact an issuer's credit risk, such as climate risk, product safety, and ethics policies and practices. The questionnaire also serves as a tool for the team to proactively engage with issuers to influence companies to increase ESG disclosure and information to integrate into the under-writing process. The ESG questionnaire and resulting score is accompanied by a transparency rating, evaluating the sufficiency and quality of available and disclosed data.

CASE STUDY

Proprietary ESG analysis in leveraged finance

Nuveen's leveraged finance platform is one of the industry's largest and robust providers of high yield credit, broadly syndicated loans, CLOs and alternative credit strategies.

In 2021, Nuveen provided anchor commitment to a new credit underwriting by a U.S. consumer product company. Proprietary ESG analysis informed the team's positive view on the issuer and was a key consideration for participating in the new issue. Since the initial underwriting, the investment team has been monitoring and periodically updating its ESG assessment.

As of May 2023, several positive ESG characteristics were noted, such as: proactive transition towards recycled plastic faster than large publicly listed peers, with clearly defined and measurable 2025 and 2030 targets; furthermore the issuer had achieved a significant reduction of Scope 1 and 2 emissions with clearly set annual target reduction; positive track record of product quality and safety; sponsor-controlled board and shareholder-friendly activity.

In addition, the company had strong financial performance and leverage had not increased since the original deal. Sales growth was continuing, and the company maintained a leading market position and significant network of production and logistics to service customers. The term loan and unsecured bonds were exhibiting attractive relative valuations.

As the private company was not rated by third-party ESG data vendors, close collaboration between the investment and RI teams as well as company engagement were critical to evaluating the company's ESG profile. The ongoing due diligence confirmed that the company's plans to address its ESG risks and transition to recycled plastics were appropriate. The investment team continued to hold core positions in the high yield bonds and senior loans.

CASE STUDY

Impact bond for emission reductions and clean water

In February 2023, Nuveen was an anchor order in a first-of-its-kind impact bond offering that provided financing for clean drinking water in schools in Vietnam. Implementation of the programme will generate carbon credits that support potential semi-annual payments to bondholders. We believe that establishing, legitimising and scaling the carbon market will help catalyse impact investing with both larger deal sizes and broader environmental and climate-aligned outcomes.

Nuveen and a large European pension fund invested in the US$ 50 million deal. The proceeds go to the World Bank's sustainable programmes.

Instead of scheduled, fixed coupon payments over the five-year tenor of the bond, the deal creates a AAA rated security that allows investors to direct capital to a specific development project. The investment team anticipates an enhanced yield over a conventional World Bank bond given the idiosyncratic project risk.

It is anticipated that 300,000 ceramic water filters will be delivered to 8,000 schools. Presently, these schools are burning sticks and brush to boil water. The new filters will reduce carbon dioxide emissions and teachers and students will be able to spend more time in the classroom, instead of collecting sticks and firewood. Furthermore, ceramic filters deliver water that is purer than drinking water obtained through boiling.

The project generates carbon credits as the water filters are put in use. The bond's underwriter (a large global bank) committed to buying the first 1.8 million carbon credits generated by the programme annually, setting a unit price for those purchased credits. If the project produces at least that many verified carbon units (VCUs), those payments will be awarded to bondholders semi-annually based on the VCUs generated over the prior period. The VCUs will be registered/administered by a third party, Verra.

We believe that a viable carbon credit market will enable more project finance deals like these, in which bondholders can elect coupons in cash or credits and industrial and financial companies can serve as off-takers of credits. This project supports a cleaner source of potable water for an estimated 2 million schoolchildren in Vietnam.

Equities

As with other asset classes, Nuveen's equities teams may consider financially material ESG information throughout the investment process. This includes an analysis of material factors, such as emissions, workplace safety, and board composition, though specific factors considered may vary by sector, geography and strategy. Research analysts generally have access to information from third-party ESG data providers alongside their own fundamental and proprietary research.

CASE STUDY

Stock analysis for listed real estate fund

Nuveen's Global Real Estate Carbon Reduction strategy aims to provide long-term capital appreciation and current income by investing in real estate companies that have either achieved carbon neutrality, or have a target to or track record of reducing GHG emissions in a manner that is aligned with the Paris Agreement.

A U.K. self-storage stock was analysed in February 2023, as part of ongoing analysis for the position. The team noted positive ESG indicators including absolute Scope 1 and 2 emissions reductions at 15% compound rate over the previous five years, and Scope 1-3 emissions intensity reduction at 20%; emission reductions targets in excess of a well-below 2°C scenario, and target for operational net zero carbon by 2035; strong board independence and balanced board diversity (38% female/62% male), although both CEO and CFO were male; strong management track record and high alignment between CEO and shareholders.

The investment thesis and valuation noted increased pricing power due to record occupancy, with room for further earnings growth from leasing additional space; low marginal costs and low maintenance capex leading to high cash conversion on marginal revenues; strong balance sheet to support new store development pipeline across four countries; and compelling valuation relative to European peers.

The outcome of the analysis confirmed the position remained attractive in the portfolio, thanks to the combination of its track record in achieving sustainability goals and carbon reductions, aligned targets and positive fundamentals.

Areas for future engagement were noted in terms of ongoing dialogue with the company to improve senior management gender balance, include non-operational Scope 3 emissions in carbon reduction targets, and increase the capital allocated to rooftop solar projects.

Real estate

At NRE, we integrate ESG considerations into our end-to-end investment process. We achieve this through both our top-down investment strategy and bottom-up asset-level implementation. The checks and balances at the different stages of our process support our teams in executing our ESG integration strategy.

Our 'tomorrow's world' philosophy sits at the core of our investment process. Focused on the long-term structural trends such as digitalisation, aging population and the transition to the low carbon economy, it aims to deliver enduring benefits to both our clients and society. This philosophy combined with our sector approach creates real estate portfolios that serve our partners' investment, climate and social objectives.

To bring our tomorrow's world vision to life, NRE has developed a smart sustainable building blueprint (SSBB) for the different real estate sectors it invests in. Each sector-specific SSBB takes into account the three key drivers of change in tomorrow's world: sustainability, technology and people. Each blueprint categorises building features or operational best practices based on the area of building performance being addressed, the expertise required to implement cost-effective solutions and the relevant stakeholder set. Each sector's SSBB framework also classifies features as essential, value add or pilot, which reflects market maturity and NRE's operating standards. All assets strive to incorporate programmatic approaches to essential features in asset business plans and operating practices, while value add and pilot features are assessed on an asset-by-asset basis.[1] By nature, the classification of features will evolve over time based on consumer sentiment, technological development, capital market demand and local market dynamics. The SSBB is a tool that helps investment teams identify and prioritise implementation strategies for assets in a given sector. It is also a framework within which we set and measure progress towards operational goals. The key areas of focus are:

- Energy
- Water
- Waste
- Resilience
- Tenants and community
- Leasing
- Data and digitalisation
- Health and wellness

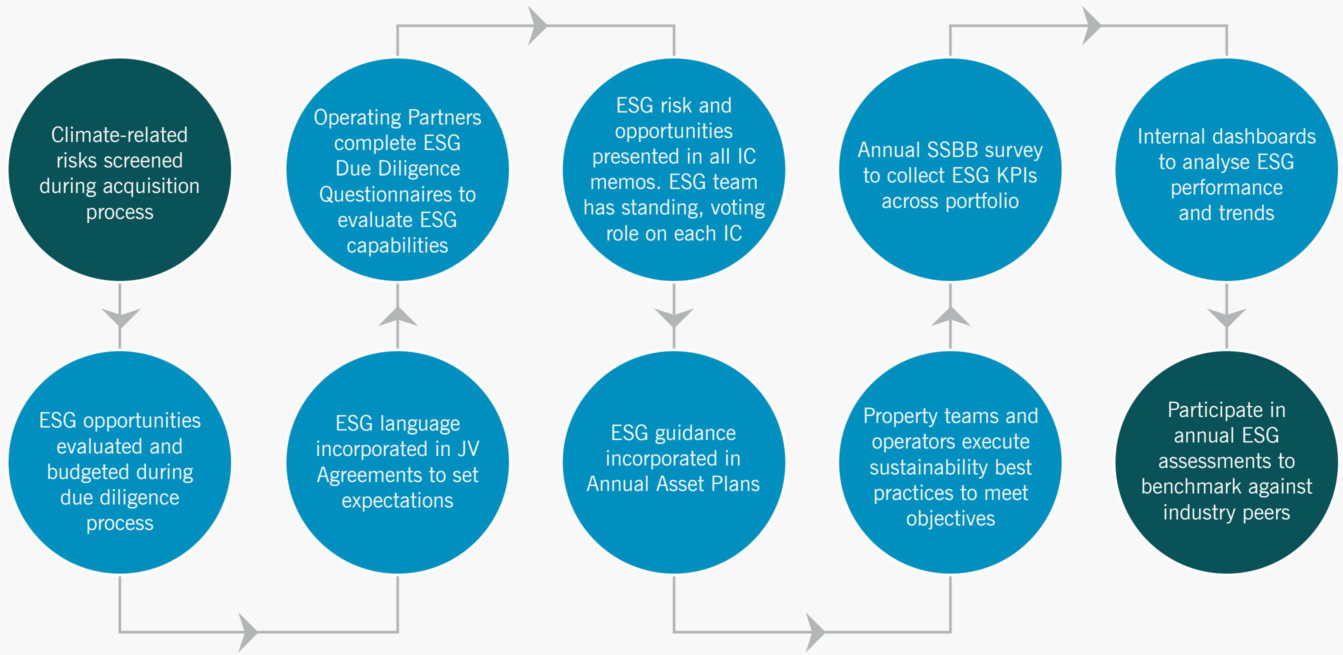
Further information on the approach, progress and outcomes is available through *Nuveen Real Estate Annual ESG report 2022–2023*.

1 The SSBB provides a list of measures that can be implemented at a property (e.g. LED lighting) and classifies them as either 'essential' (i.e. widespread implementation), 'value add' (i.e. tailored implementation based on investment return profile), or 'pilot' (i.e. limited implementation to 'test' measure's value proposition).

It is clear that the physical impacts of climate change will affect real estate values. The NRE team continues to advance its understanding of how, where and when such impacts will become financially material to our investments' financial performance.

We have developed and implemented our own sustainability risk management framework to better identify factors that could be material to real estate investment performance. Acquisition and portfolio management teams already factor physical and transition risks into investment decision-making by running downside scenarios and evaluating potential future costs. Relatedly, asset management teams employ a separate environmental management framework that encourages and supports continued responsible management practices.

Figure 7.2: ESG integration in the real estate investment process



Adopting good governance practices to execute on our ESG strategy

Articulate strategic ESG objectives that support the firm's tomorrow's world vision

Prepare policies and procedures that govern ESG activities across the business

Advise fund ESG strategies to align investments with client expectations

Provide sustainability training for leadership and investment teams

CASE STUDY

Green building features for a new industrial development

The NRE investment management teams oversee the implementation of a variety of decarbonisation measures across portfolios to manage climate-related transition risk and by doing so support NRE's house-level net zero carbon commitment. Investment teams also evaluate the presence of material physical climate risks and oversee the implementation of asset management strategies.

NRE's approach to climate risk integration can be seen in the 'CityPark' project in Vienna, comprising a light industrial and logistic complex acquired in 2020. The lifecycle planning for the development extension included decarbonisation optimisation and criteria. The building will benefit from a site-wide district heating network via solar and geothermal energy, delivering renewable energy supply for heating and cooling, while green roofs improve insulation and enhance water efficiency across the asset. The development also promotes clean transportation through the provision of electric vehicles charging posts. The existing part of the scheme holds a DGNB Gold certification,* while the development component is targeting even higher performance.

* German certification scheme for sustainable buildings.

Private capital

Churchill considers material ESG factors in our pre- and post-investment processes to enhance long-term value across the portfolio and investment strategies. This materiality-based approach allows us to capitalise on global trends while contributing to sustainability outcomes, while not sacrificing competitive commercial returns for our stakeholders.

Once a potential deal passes the initial negative screening based on Churchill's exclusion list, we conduct deal-specific ESG due diligence to gather as much data from the private equity sponsor as possible.

We use a proprietary ESG rating tool, developed in partnership with Nuveen's Responsible Investing team, that helps us assess the key ESG risks and opportunities for a given deal. This process starts with Churchill's RI team completing a materiality assessment for the business, which helps define the climate and headline risk screening required, as well as the sector-specific management assessment questions compiled during the due diligence process.

Churchill's RI team is a part of every investment team meeting, from origination to early screening to investment committee. The team provides commentary on the investment and sponsor ESG practices or raises key ESG risks and opportunities. These discussions often happen on an ad-hoc basis and are flagged to the deal teams upon discovery. The deal teams take this information and use this to seek to mitigate risks and present the completed risk profile during investment committee.

CASE STUDY

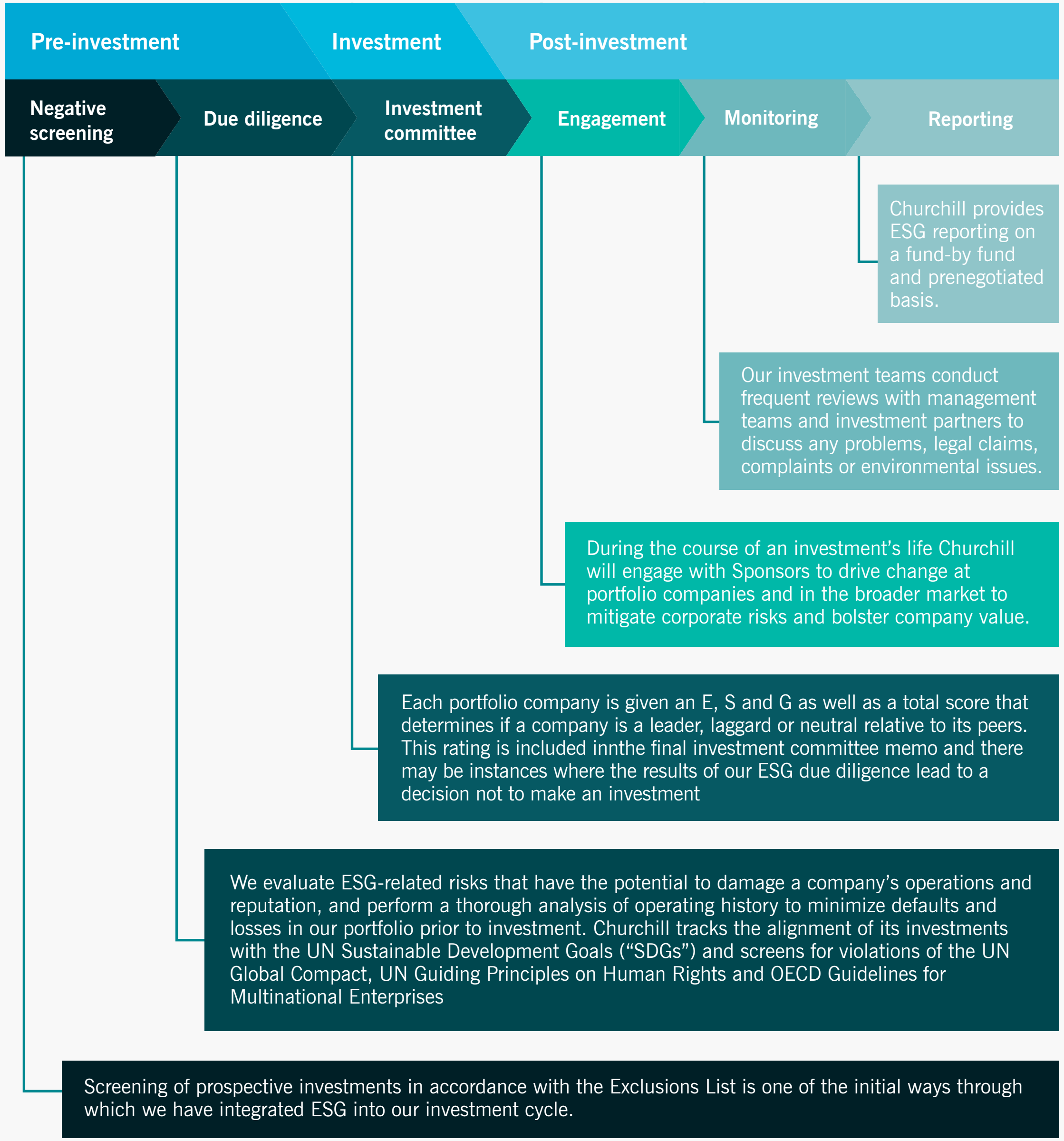
ESG due diligence informs private investment

In the second half of 2022, an investment opportunity across both our senior lending and equity co-investment strategies exhibited leading environmental practices by tracking GHG emissions and energy consumption at their facilities going back to 2010.

This U.S.-based engineering and consulting firm had made meaningful reductions in GHG emissions and electricity and water consumption from their baseline metrics. Additionally, the company's core services enable their customers to benefit from the energy transition by supporting the use of electric grid, solar and wind generation energy.

These factors were discovered by Churchill's ESG team during due diligence and contributed to the underwriter's overall assessment of the investment's creditworthiness.

Figure 7.3: ESG in Churchill's investment process



Infrastructure (part of Real Assets)

Nuveen Infrastructure implement a range of activities to manage long-term risks through active ownership practices that are sensitive to ESG considerations, as outlined in the ESG policy.

For example, during the pre-investment evaluation stage, when required environmental regulatory compliance assessments are performed. Post-investment decision through the construction and operation phases, Nuveen Infrastructure actively manages ESG considerations, such as establishing and monitoring health and safety standards, and continuously managing the impact of our operations on the environment. Further, the renewable energy generated and carbon emissions avoided are measured and reported to assess the positive impact.

Nuveen Infrastructure is also committed to the central role of its renewable energy assets in the communities in which it operates, and takes an active role in educating and supporting local communities on the benefits of our projects.

CASE STUDY

Beyond minimum requirements on environmental impact assessments

In June 2023, Nuveen Infrastructure announced the development of the Ainola battery storage project in Finland.

As the project is sited adjacent to an existing onshore wind farm in Nuveen Infrastructure's portfolio, legal advice during the evaluation phase confirmed that there was no express legislative requirement for an Environmental Impact Assessment nor environmental permit. Nuveen Infrastructure nonetheless decided to conduct independent environmental and social due diligence, to better understand the potential impact of the project on its surroundings.

The environmental and social due diligence was completed in June 2022 by the project's technical advisor and covered a broad spectrum of topics such as noise levels, waste and water management, endangered species, protected sites and biodiversity, labour rights, working conditions, health and safety, cultural heritage and vulnerable groups.

While the report did not find any red flags, it highlighted a few topics that needed to be addressed in the final design and development phase of the project. After completing the analysis, the technical advisor set up a stakeholder engagement plan as well as an environmental and social management plan. Recommended solutions were discussed at the Investment Committee, agreed in December 2022, and implemented during construction of the asset, which began in May 2023. The additional review was important to satisfy Nuveen Infrastructure's RI standards and ensure adherence to industry best practices.

INVESTMENT APPROACH

Principle 8

Signatories monitor and hold to account managers and/or service providers.

USE OF SERVICE PROVIDERS

As described under ***Principle 2 on page 11*** *and* ***Principle 7 on page 48,*** Nuveen uses the services of several data providers and vendors as part of our research and investment processes. The primary source of ESG data for Nuveen's RI products and screens for public market assets is MSCI. MSCI, Sustainalytics, ISS and Verisk Maplecroft are primary datasets used for ESG integration, available either through RIDP, FactSet, Bloomberg and/or the directly from the vendor platforms. We use research and data from ISS and Glass Lewis in our proxy voting and portfolio company engagement processes.

Please refer to ***Principle 12 on page 81*** *for an explanation and case study on how we work with proxy advisors.*

Nuveen supplements primary datasets with those from a range of innovative, specialist providers that service specific asset classes or data niches. For example, RisQ is our physical and transition climate risk data provider specifically geared towards municipal bonds. In addition to vendor data, Nuveen uses a range of public datasets, such as those from the World Bank, Freedom House, Environmental Protection Agency, National Center for Education Statistics and others, to drive proprietary ESG scores for municipal and sovereign bonds.

We also use a number of vendors to facilitate geospatial risk analysis related to climate and biodiversity, streamline ESG data gathering directly from investees, and guide carbon footprinting for our private markets and real assets portfolios. We seek a collaborative approach when working with service providers to ensure services are delivered to meet our needs and the needs of our underlying clients.

MONITORING SERVICE PROVIDERS

Nuveen undertakes multiple layers of due diligence and ongoing monitoring for service providers across business needs. Centralised teams and functions facilitate due diligence, risk assessment and monitoring of third-party suppliers throughout the relationship. This ensures service providers, proxy advisors and real estate service providers meet policies, business needs, quality and service standards, and operational and technical considerations.

The RI team usually begins by researching and conducting demonstrations with various potential vendors to ensure alignment with the team business needs (e.g. robustness of product methodology, transparency and credibility), quality and service standards, and operational and technical considerations of integrating the new product. Following the due diligence process in appropriately selecting a vendor, the team completes the Vendor Inherent Risk Assessment which evaluates the risks of sourcing a product or service from a vendor. This assessment includes evaluations of topics which could potentially cause negative impacts, such as facilities locations, data access levels, potential offshore operations and reputational considerations. These assessments are then shared with internal teams such as Finance, Legal and the Enterprise Vendor Program Office (EVPO) for necessary review and ultimate approvals to complete onboarding contracts with the vendor.

Once the new vendor is onboarded, the scope, frequency and intensity of the monitoring activities are guided by the inherent risk rating of the products and services provided by the vendor. Meetings are held on a regular monthly, quarterly, annually or as-needed to discuss service-level performance and potential improvement areas.

CASE STUDY

Engaging vendors on EU regulatory reporting requirements

In 2023, Nuveen initiated more regular engagements with our primary data providers to explore deep technical questions surrounding SFDR data, namely related to Principal Adverse Impacts and EU Taxonomy alignment.

In the first half of the year, we held over 10 meetings with three vendors. These conversations focused on how vendors were keeping up with evolving guidance, noting areas for improvement on identified data gaps, and discussing how they were interpreting technical and methodological standards for the EU regulation. This helped ensure that our SFDR reporting for clients was clear and consistent.

We believe establishing this type of collaborative relationship with our vendors enables us to achieve mutually beneficial outcomes. Through these discussions, we had the opportunity to offer feedback on proposed or new approaches and to raise challenges we encounter with current data sets. This collaboration also enables us to cement our own best practices for portfolio-level disclosures to meet requirements and client demands.

Over the course of 2023, we saw improvements in the clarity of updated guidance documents released by vendors, and observed higher standards and rigour in the provision of services around PAIs and EU Taxonomy alignment. We continue to constructively engage with vendors to share our perspectives and expectations on this evolving topic and ensure services delivered continue to meet our needs.

Any issues or complaints that arise are communicated to the vendors, both on an as-needed basis as well as during annual review meetings that are conducted with each primary vendor. During the annual review meetings, we review business usage over the past year, discuss any outstanding issues and feedback on the vendor's services, and review the future roadmap to ensure it aligns with our needs and expectations. In addition, before every vendor contract renewal, there is an internal review of vendor performance against the initial terms established during the signing of the contract, as well as internal review with the business owner(s) and Nuveen's Technology team to ensure continued business need and satisfaction with vendor services.

During the reporting period, Nuveen was generally satisfied with the quality and level of accuracy provided by third-party vendors, with no major issues of expectations not being met. In case significant issues arise, there are enterprise-level guidelines to document and report them, ensuring that they are tracked and monitored to resolution. Exit strategies will be enacted if the vendor can no longer provide the product or service to the company. This exit strategy was not enacted during this reporting period.

MONITORING PROXY ADVISORS

Annually, Nuveen Compliance conducts a service provider due diligence to determine whether ISS has the ability to identify and manage potential conflicts of interest and to determine whether ISS has the capacity and competency to adequately analyse proxy issues. This includes the ability to make voting recommendations based on materially accurate information. The notable findings from the due diligence are presented to Nuveen's Proxy Voting Committee members, who then vote to retain or replace ISS as our proxy advisor.

Additionally, our Proxy Operations team conducts continuous monitoring of ISS. The group holds weekly meetings with ISS to monitor outstanding items, provide feedback and implement enhancements to align with our growing stewardship programme.

*Please refer to **Principle 12 on page 81** for further information on how we work with proxy advisors.*

DIVERSE SERVICE NEEDS ACROSS THE PORTFOLIO

Real estate

Certain sustainability factors are included in the appointment and contracting of select service providers. Most notably, operating partners and property managers are expected to adhere to NRE's sustainability guidelines which includes a range of expectations focused on environmental and social issues.

CASE STUDY

Partnering with property managers to deliver on our sustainable building strategy

Property managers and operating partners help execute our smart, sustainable building blueprint strategies (SSBSs, as *described under **Principle 7 on page 48***) across sectors and geographies. In 2021, NRE forged a partnership with BNP Paribas Real Estate (BNP PRE) to implement an innovative office operations model across its European property portfolio.

The pandemic significantly changed work practices. Reflecting on this, there was an opportunity to strengthen the relationship between property owner, manager and occupier.

The new platform, designed in collaboration with the property manager and deployed throughout 2022, is a tool to focus on service quality, increase efficient management of commercial real estate assets, and better understand changing needs to design flexible and adaptable office spaces.

Property management has evolved from simple property administration to the management of tenant relations, which are a crucial aspect of ensuring long-term value creation for real estate assets. In the new model, the operator offers services related to sustainable development, technology and connectivity alongside more traditional property management elements, such as building maintenance and upkeep or rent and service charge collection.

In November 2023 the partnership expanded to include BNP PRE's Building Consultancy team to coordinate and manage environmental and net zero projects in the U.K. assets, with a longer-term plan to roll out to other European assets.

Infrastructure (part of Real Assets)

Health and safety are a critical component of Nuveen Infrastructure's commitment to RI and asset management practices as an investor and manager of clean energy projects worldwide.

Nuveen Infrastructure invests in assets across project lifecycle phases (development, construction, and operation), and relies on contractors for the provision of construction, maintenance and operational services. While operation is by far the longest phase, the construction phase carries the highest risk of health and safety incidents due to the high number of people on site and the complex activities involved in construction. As a result, while actively managing health and safety matters through the project lifecycle, we apply a heightened and sharpened focus during the construction phase.

Recognising this need, health and safety criteria, such as the company safety performance track record and effective management systems, are considered as part of the tendering and selection process for contractors. The requirements are then incorporated, performance monitored and enforced via legally binding contractual agreements. Local practices and regulations inform the implementation of these standards – for example, sites in the U.K. adhere to the construction design and management (CDM) regulations, which require the appointment of a CDM controller and provide guidance on health and safety controls, training and checks.

Nuveen Infrastructure's experienced technical engineers conduct site visits and these complement regular third-party inspections that are undertaken. In cases where unsafe practices are identified, Nuveen Infrastructure has the right to, and will, stop construction work and in extreme circumstances remove contractors or sub-contractors for failing to comply.

In 2022, we continued to prioritise our health and safety oversight including setting and monitoring health and safety standards across directly held projects, resuming in-person site visits following the pandemic, and discussing health and safety matters as the first item of business at the beginning of each asset management review meeting.

CASE STUDY

Precautionary approach to safety in construction activities

In February and March 2023, a Nuveen Infrastructure biomass electricity generation project required repairs to its auxiliary electrical supply. The work involved excavation to install devices that would provide improved system protection against electric shocks and system failure on site.

There are two methods to carry out excavation: quickly through the use of mechanical equipment, or more cautiously through hand digging the trench. The former can be used in cases where the site's as-built drawing is comprehensive and there is confidence in its accuracy. However, sites which have been under industrial use for long time periods can have old legacy cables and other objects present which may not be recorded in the drawings.

Using his experience in this area, Nuveen Infrastructure's site director chose the slower but safer route: hand digging the trench and using a cable avoidance tool (CAT) scanner to assist identifying underground cables. The risk assessment and work plan were reviewed by Nuveen Infrastructure's construction manager, and a contractor was instructed to carry out the work adopting the precautionary method.

During the excavation a cable was discovered that had most likely been installed over fifty years ago and which did not appear on the as-built drawing. Had the mechanical approach been used, the workers could have inadvertently damaged the cable with the potential to cause a severe incident and harm to individuals in the vicinity. The clear and actionable direction to proceed with caution resulted in the successful completion of the task safely.

Engagement

Principle 9 ▶ | Principle 10 ▶ | Principle 11 ▶

ENGAGEMENT

Principle 9

Signatories engage with issuers to maintain or enhance the value of assets.

OUR CONSTRUCTIVE APPROACH TO ENGAGEMENT

We are dedicated and focused on advancing responsible investing practices, with preserving and enhancing long-term shareholder value at the centre of our approach. We remain diligent in our ability to produce meaningful outcomes for our clients.

Our approach to stewardship is rooted in our fiduciary duty to our clients and is designed to gain investment-relevant information and meaningfully advance transparency, accountability and, where appropriate, real-world impact among issuers across our portfolios.

We believe that constructive engagement is a fundamental part of our role as effective stewards of our client assets and critical to preserve and increase value. Moreover, we consider this constructive method to be more conducive to securing “buy in” from investee company management and leading to better outcomes for the engagement and for our clients. By contrast, excluding companies from our portfolio without attempting to first engage constructively to address challenges and promote change is a blunt instrument which, in our view, risks having unintended consequences and is unlikely to lead to shared benefits for companies and investors.

We use complementary strategies to influence companies, issuers and the broader market to advance ESG best practices and set the agenda on priority issues. We leverage our relationships and influence with companies through the lens of materiality, practicality and feasibility. We champion substantive, meaningful engagement that adds value to our investment process and further the best interests of our clients.

The approach to engagement, including how engagements are selected, prioritised and conducted, varies across geographies. Considerations include cultural norms, regional customs, local regulations and market standards. For example, we recognise that board diversity expectations are well established in certain countries, where they may be codified in local market requirements, but remain less prevalent in other jurisdictions. Similarly, we work with global companies to contextualise expectations on racial/ethnic diversity.

ENGAGEMENT METHODS AND PARTICIPANTS

The engagement programme is carried out primarily by the RI team in coordination with the analysts and portfolio managers that are involved with coverage of certain companies and funds. We believe this joined up approach allows us to develop well-informed and targeted engagement priorities.

Nuveen’s engagement programme was historically focused on public equities, reflecting general market practice and the connection with proxy voting. Over time,

Figure 9.1: Engagement by the numbers

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

	564 TOTAL ENGAGEMENTS	417 COMPANIES ENGAGED
Environmental		
Climate change	65%	283
Natural resources	6%	29
Social		
Diversity and 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

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.

our understanding of the materiality of ESG issues across a company's capital structure has increased and we have learned more about how they may affect valuations. As a result, we have been increasingly collaborating with our fixed income investment teams to conduct selected engagements (see following case study).

Direct dialogue enables us to address ESG issues that are most financially material on a company-by-company basis. Engagements can take the form of in-person meetings, (video) calls or written communication.

We typically use letters to company boards when we launch new thematic initiatives. Written communications help us convey to companies a holistic view of our general expectations with regards to the topic, and are useful to start a long-term dialogue and iterative engagement process. We then conduct face-to-face meetings, either in person or virtual, which include members of the RI team as well as relevant investment team members. We also use letters to follow up on certain proxy votes, as described under ***Principle 12 on page 81***.

During the period, written engagements accounted for approximately one third of total engagements, with the rest being face-to-face engagements. As mentioned under ***Principle 2 on page 9***, we are evaluating new engagement tracking tools that can better support our ability to provide more detailed reporting on our activities.

CASE STUDY

Cross-section engagement strategy to address methane emissions

Methane is a greenhouse gas 80 times more potent than CO_2 over a 20-year period.* As many economies look to decarbonise their energy systems and switch from coal to natural gas, it is paramount to ensure this transition maximises decarbonisation potential. Options to monitor and address methane emissions throughout the oil and gas value chain are affordable and available at scale. The International Energy Agency estimates that, based on gas prices from 2022, over 60% of oil and gas methane could be reduced at no net cost. Given the feasibility of these reductions, methane emissions from the oil and gas sector became a focus for regulation in 2022–23. Nuveen has prioritised methane abatement advocacy in direct conversations with companies by encouraging them to join the Oil and Gas Methane Partnership 2.0 (OGMP). The UN-convened initiative guides companies toward leading practices in monitoring, reporting and target-setting for methane emissions.

Membership in OGMP represents industry best practice and is an opportunity for differentiation, as buyers look to find short-term options to reduce Scope 3 emissions. For example, U.S energy company Consolidated Edison recently announced a programme to seek out gas produced by operators with low methane intensities, such as those produced by OGMP members.

Nuveen has actively encouraged utilities, particularly those included in Nuveen's Global Clean Infrastructure Impact Strategy, to consider similar strategies. In addition, following engagements with APA Corporation, ExxonMobil and Chevron, which are companies included in our Climate Risk 2.0 initiative, all three announced that they would join OGMP in spring 2023, autumn 2023 and early 2024, respectively.

In the autumn of 2023, Nuveen's analysts visited the Permian Basin facilities owned by Pioneer Natural Resources, another company in scope of CR 2.0, and learned how operational best practices are implemented on the ground. Exxon later announced their acquisition of Pioneer, as well as their commitment to advance the operational net zero target for the acquired assets from 2050 to 2035.

In addition, we have engaged with national oil companies (NOCs), primarily through fixed income investments. NOCs represent the majority of current production and global reserves, making them critical players in the global push to reduce methane emissions. These companies have typically been sluggish to implement certain best practices.

Nuveen has also recognised the significant role that financiers and insurers can play in moving their clients toward best practices and de-risk their portfolio. For example, Nuveen engaged with Chubb, one the largest global providers of property and casualty insurance and a top-10 insurer worldwide for oil and gas producers. Over repeated engagements in recent years, we have advocated for enhanced engagement with carbon-intensive clients. In 2023, the insurer announced a first-of-its kind methane policy for clients in the oil and gas industry, representing a strong signal that these practices are considered by insurers as a necessary component of prudent risk management. Methane abatement work, however, has been plagued by inaccuracies. Reporting is often based on emissions factors and desktop calculations rather than real-world observation and monitoring, with studies indicating that this has led to significant under-reporting. In this regard, in 2022 and 2023 we have supported shareholder proposals at multiple energy companies requesting disclosure on how direct measurement would impact stated emissions and related targets.

* The Intergovernmental Panel on Climate Change (IPCC) has indicated a global warming potential for methane between 84–87 when considering its impact over a 20-year timeframe (GWP20) and between 28–36 when considering its impact over a 100-year timeframe (GWP100). This means that one tonne of methane can considered to be equivalent to 28 to 36 tonnes of CO2 if looking at its impact over 100 years.

SELECTING, PRIORITISING AND PREPARING ENGAGEMENTS

We generally select and categorise engagements as either tactical or targeted, depending on the discussion topics.

Tactical engagements tend to be timely discussions and strategic conversations on important shareholder and stakeholder issues. These meetings may be initiated by both Nuveen's teams and issuers. Examples of these situations include investment team engaging with certain issuers in the context of fund-specific objectives and eligibility criteria; specific corporate events (e.g., IPOs, M&As); controversies; proxy voting related matters both before and after the vote; and other material issues that are contextually specific to a particular company.

Targeted engagements are typically connected to thematic initiatives that address prioritised issues with cross-industry relevance. These are usually conversations initiated by Nuveen. We define our expectations on the themes and the expected outcomes and we establish target lists of issuers based on holdings and proprietary financial materiality research. Targeted engagements will often be broken down into a series of tactical engagements but connected back to the overall thematic strategy.

In both cases, prioritisation may be based on factors such as investment horizon, size of holding, materiality of the issue, date of general meetings, frequency of interactions, headline events and market context.

Our monitoring and research procedures include various methods to identify relevant engagement topics. Depending on company-specific circumstances, these methods may include reviewing publicly available information and company disclosures (e.g. annual reports, proxy statements, meeting materials, investor presentations); attending company events/presentations; monitoring of news and events that may impact company performance; leveraging third-party data services and research; conducting proprietary research; and identifying opportunities across a value chain to improve coordination and outcomes

These processes enable us to develop well-informed engagement objectives and KPIs to guide the engagement, aligned to our transparency, accountability and impact framework described in the following section.

TRACKING OUTCOMES

Tracking outcomes is an important aspect of our investment stewardship activities and demonstrates the benefits of RI and engagement to our clients. This is in 2020 we developed our proprietary transparency, accountability and impact framework.

Our framework buckets KPIs based on the objectives they serve, for example:

Figure 9.2: Engagement outcomes by category

	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	o	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 and operation	0	1	0
Executive compensation	4	7	0
Board quality	2	2	0
Total	**146**	**139**	**9**

- Transparency: a company provided new or improved reporting
- Accountability: a company made a commitment or launched an initiative
- Impact: a company demonstrated a real-world achievement in alignment with a target

We set clear expectations for companies and for ourselves on what we seek to achieve through engagement. We may have multiple requests of each company, recognising that transparency is the foundation for accountability, and both are important aspects of achieving real-world impact. The framework enables us to understand where companies are on their journey, and engage with them constructively to drive meaningful change.

During engagement and through ongoing research, we seek to determine whether companies have instituted change relative to the expectations that we have outlined. When a company meets a certain KPI, we consider that to be an engagement success, which translates into an outcome once the company publicly discloses a certain action. Our reported outcomes require actual change by the company, rather than acknowledgements or commitments that have not yet resulted in further action.

The following tables summarise engagement outcomes. We achieved slightly less than 300 individual outcomes during the year, with success rates varying among the different categories and targeted initiatives. Many of our engagements did not deliver specific and quantifiable outcomes, which we believe reflects both the rigour of our assessment process and the fact that not all engagements deliver immediate results. Implementing change and achieving real-world impacts are complex endeavours which take time and perseverance. This is why our engagements are typically multiyear initiatives.

The outcomes of Nuveen's thematic initiatives are tracked on a cumulative rather than per-year basis. Nuveen does not take credit for outcomes achieved in collaborative groups where Nuveen is a signatory but not a lead participant in the engagement activity.

*See **Principle 10 on page 69** for further discussion on our approach to collaborative engagement.*

Figure 9.3: 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 decarbonisation 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 recognised 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%

CONTEXTUALISING OUTCOMES

We have found that distinguishing metrics and results based on where they fall in the transparency, accountability and impact framework adds value to our conversations with investee companies, gives us a strong foundation for regular evaluation of progress, and resonates with clients who want to understand the value of stewardship and seek credibility from asset managers.

The framework allows us to communicate positive outcomes without overstating what they achieve, and while recognising that our efforts are one of many factors driving change in the market and contributing to outcomes for clients and stakeholders.

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.

CASE STUDY

Transparency – Climate risk at Caterpillar Inc

Innovation and technological enhancements are key elements of climate solutions for companies in carbon intensive sectors such as industrials. Caterpillar is a leading manufacturer of large-scale industrial machinery that has a significant market share opportunity to meet customer demand for lower emissions products, including the market-share from its U.S. government contracts. The U.S. government has adopted requirements that federal contractors publicly disclose their GHG emissions and climate-related financial risks and set science-based emissions reduction targets.

Nuveen has regularly engaged Caterpillar in relation to its climate change risks and opportunities and identified Caterpillar as one of its material investments with climate change exposure through the CR 2.0 initiative. Nuveen has engaged Caterpillar over many years and Nuveen has been pleased with Caterpillar's many climate-related improvements. The company has long disclosed GHG emissions related to its operations and energy use, and it has exceeded its 30% reduction target for these emissions seven years ahead of schedule. However, Nuveen recognises that Caterpillar's largest source of emissions, and consequently its largest opportunity for impact and differentiation, stems from the use of its products.

Following productive engagement between Nuveen and Caterpillar's executive management and board, the company disclosed its downstream emissions from product use for the first time in 2023. Caterpillar's disclosure provided a lookback to 2018 and demonstrated how its product electrification and efficiency efforts have driven down emissions intensity over time.

CASE STUDY

Accountability – Customers at The Kroger Company

Food deserts represent an issue in many U.S. minority communities where there is a lack of fresh food options and an abundance of traditional convenience stores. Studies show that U.S. counties with above-average Black populations are 25% less likely to have local access to grocery stores but 20% more likely to have local access to convenience stores.

Nuveen first engaged Kroger on the issue of food deserts as part of the Nuveen Racial Equity initiative in 2021. Since the initial engagement, Kroger has tried to address health outcomes for its customers in a holistic fashion, including not only education and nudge strategies for customers to purchase more healthy products but also by bringing health clinic services and supporting local wellness centres in communities where it operates. Kroger discussed its acceptance of SNAP* payments on its e-commerce platform and its monitoring of the e-commerce programme and food delivery service to identify opportunities to reach underserved populations. Similarly, Kroger tracks purchasing data through its loyalty card programme to identify its stores where shoppers generally appear more price-sensitive and ensure those stores are stocked with a larger variety of product options such as different cuts of meat at different price points to increase customer options.

A particular strategy that Kroger developed to directly address the food desert and local access issue was to partner with Walgreens on a programme where Kroger would stock Walgreens with fresh produce and dinner staple products to provide healthy food options in stores.

* Supplemental Nutrition Assistance Program by the U.S. government

CASE STUDY

Impact – Diversity and inclusion at Recruit Holdings Co., Ltd.

Board members' diversity of skills and experiences are just a couple of the criteria for a well-managed board; so too are diversity of gender, race, ethnicity and age. As human capital management continues to be a trending societal topic, Japanese companies are increasingly adding female directors to their boards.

Nuveen first began to engage Recruit Holdings five years ago in relation to the 2018 Women on Boards Initiative that targeted our largest Japanese holdings with no female directors. The Tokyo-headquartered company had a successful outcome during the initiative by adding a female director in 2020. The company continued its board diversity improvement by adding a second female director in 2022. In ongoing engagements with the company, the company laid out a strategy of achieving gender parity on the board of directors by 2030. This commitment has been further expanded beyond the boardroom to senior executives, managerial positions and total workforce. Recruit Holdings has been very vocal from the top down on how promoting Diversity, Equity and Inclusion contributes to the company's strategy. They strongly support the concept that various perspectives enable better decision making and risk mitigation, creating products that meets diverse customer needs and fosters business growth and women in the fields of science, technology, engineering and mathematics.

In the past year, Recruit Holdings added their first non-Japanese female director which both increased board gender diversity to 38% as well as brought additional diversity into the boardroom which is aligned with the strategy of further developing its platform business in the U.S.

ENGAGING ACROSS A DIVERSIFIED PORTFOLIO

Engagement across Nuveen's diversified portfolio takes a multifaced approach in terms of topics, stakeholder targets and participants, objectives and outcomes. This variety reflects the specific factors and considerations most relevant for each asset, such as asset class, economic and business profile, value generation potential, project stage, investment phase/cycle, risks and opportunities set, and stakeholder impacts.

For example, across the commercial real estate industry we work with many different internal and external stakeholders, such as communities, occupiers and customers. We seek to understand their views and to incorporate, where possible, strategies that promote our shared values and priorities around environmental and social issues. Our building users expect us to provide safe and healthy environments and to efficiently manage the building resources and operating costs.

Our occupier base spans geographies, industries and sectors, and has diverse needs. Some occupiers lease an entire building or campus and manage most of the day-to-day operations themselves, while others rent an individual unit and look to the property owner to provide and manage building amenities and services.

We work to understand and support the goals of our broad tenant base. One way we can do that is by contributing to customer and employee attraction and retention, by providing places with purpose. Our customers include shoppers in our retail spaces, residents of our housing portfolio, employees of commercial occupiers, as well as their guests. When they succeed, we succeed. Places that meet the varying needs of our diverse customer base should also provide strong financial returns to our investors.

CASE STUDY

Impact – Tenant engagement in real estate

Maintaining open and collaborative communication with our building occupiers is key to understanding and meeting their needs. Nuveen Real Estate works with our operators on annual occupier satisfaction surveys which include sustainability themes.

In 2022, we reached out to nearly 3,000 tenant contacts across more than 500 office, retail, medical office and industrial buildings in the U.S., and over 43,000 residents across approximately 125 apartment communities.

Operators review and analyse survey responses, summarising key takeaways in a property action plan and presenting that plan for consideration and incorporation into the asset business plan and budget.

The surveys include benchmark metrics that help measure relative performance across portfolios, and tactical questions that help our operators identify specific actions to take on-site to improve tenant/resident satisfaction.

In 2022, we reduced resident questionnaires from 75+ questions to 20, contributing to a 5% increase in the year-over-year response rate. We also achieved a 49% response rate across our U.S. office and medical office surveys and added a dedicated sustainability section to our commercial surveys.

Sustainable building operations was described as either 'important' or 'very important' by the majority of respondents. Building occupiers consistently identified energy efficiency, water efficiency, recycling, and employee health and wellbeing as top sustainability priorities.

ENGAGEMENT

Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

INFLUENCING ISSUERS THROUGH INDUSTRY INITIATIVES

As discussed throughout this report, Nuveen uses a variety of strategies to influence issuers globally. We believe that engaging with different stakeholders gives us a range of options to drive best practices. Beyond direct engagement with issuers, promoting collective action through constructive dialogue with a range of stakeholders is a core aspect of our stewardship approach.

We participate in and are an active member of several industry initiatives, among them those geared towards building ESG financial materiality, improving ESG and impact best practice and reporting standards, and driving action on climate change, environmental sustainability and diversity and inclusion. Many of these initiatives provide opportunities for collective action to address shared challenges and influence positive change.

*Please refer to **Principle 4 on page 23** for further discussion on our participation in industry associations as well as examples of collaborative initiatives.*

*Please refer to **Appendix II on page 94** for a comprehensive list of memberships in industry associations.*

CASE STUDY

Multistakeholder engagement on proxy voting research

In October 2022, Nuveen's Global Head of Stewardship participated in the multistakeholder annual forum of the Oversight Committee (OC) on the proxy voting advisory and research industry. The forum is convened by the OC as part of the 2019 Best Practice Principles for Providers of Shareholder Voting Research & Analysis. The committee, an independent industry initiative, oversees the application of the set of principles and standards for shareholder voting research.

The conference was organised in Rome by Assogestioni, the Italian association of asset managers, of which Nuveen is a member.

It brought together several stakeholders including asset managers, asset owners, academics, issuers and service providers to discuss many important governance and stewardship topics of relevance for the industry. It also featured key developments in the landscape of the proxy voting advisory and research industry and at the OC itself.

For Nuveen, it was an opportunity to share our views on how we use research and engagement as part of our stewardship activities and to inform our independent decisions on proxy votes. It was beneficial to exchange perspectives on the shared challenges and opportunities that market participants face, and to collective advocate for the sustained adoption and implementation of governance best practices.

CASE STUDY

Collective efforts to improve transparency and accountability in private markets

ESG disclosure in the U.S. middle market private direct lending space remains limited. To address this issue, Churchill decided to join the executive committee of the ESG Integrated Disclosure Project (ESG IDP) in October 2022.

This is a collaborative industry initiative formed by the Alternative Credit Council (ACC), the private credit affiliate of the Alternative Investment Management Association (AIMA), the Loan Syndications and Trading Association (LSTA) and the United Nations-supported Principles for Responsible Investment (PRI) in co-operation with a group of leading alternative asset managers and credit investors. The ESG IDP is also supported by a coalition of market stakeholders.

The goal is to promote greater harmonisation and consistency of disclosure of key ESG indicators by borrowers in private credit and syndicated loan transactions. This objective is primarily achieved through advocating for broad adoption of the ESG IDP Template, a reporting tool that represents a proportionate set of questions designed to solicit a global baseline of information from private companies. In collaboration with this collective effort, Churchill's thematic engagement with private equity sponsors has focused on pushing for increased uptake of the template. The ESG IDP template was released in November 2022 and last updated in July 2023.

Receiving the IDP template in pre-investment due diligence supports ESG integration practices as *described in **Principle 7 on page 48***. The data set, even if only partially complete, provides more information to assess the ESG practices and risks of a potential investment than would be otherwise available through Churchill's proprietary rating tool to generate the materiality assessment and answer management questions.

Churchill's leadership role in this collaborative industry initiative supports the adoption of RI best practices to address a key challenge in private markets. We believe that our continuous participation in this collective initiative will help harmonize ESG data collection and reporting to support investment processes while provide enduring benefits for portfolio companies, communities and investors.

INFLUENCING ISSUERS THROUGH DIRECT COLLABORATION

At the issuer level, when bi-lateral dialogue does not achieve desired outcomes, we may consider employing a range of tactics to escalate our engagement. Collaboration with like-minded peers and/or other industry stakeholders is among the avenues we pursue to further the adoption of practices and policies for better management of ESG factors. We consider and pursue collaborative engagement practices on a case-by-case basis.

For example, in 2022 and 2023, Nuveen's emerging markets corporate fixed income team participated in ad-hoc collective engagement meetings through the Emerging Markets Investors Alliance (EMIA). The team joined other investors' efforts to try and support a state-owned energy company in advancing its decarbonisation strategy. The investment team-led group noted the importance of engaging with the company to work through the challenges of decarbonisation for the country and in light of the relevance of the investment for the emerging markets asset class.

Another situation in which we believed appropriate to join a collective discussion related to ongoing engagement with Netflix. Nuveen joined other investors in meeting with the company board directors to address the drivers of significant shareholder dissent.

*Please refer to the Netflix case study under **Principle 11 on page 73** for further details.*

CASE STUDY

Our participation in Climate Action 100+

Nuveen has been a member of Climate Action 100+ (CA 100+) since September 2020. We are currently part of the lead investor group for four focus companies.

The goals of our stewardship programme are to preserve and enhance long-term shareholder value, and our participation in the activities of CA 100+ is compatible and complementary with those goals. Industry collaboration to tackle and address material climate risk remains a focus for clients.

At all times we maintain our independence of voting and engagement activities within the Nuveen programme, distinct from CA 100+ activity. We leverage industry groups such as CA100+ to gather information and share thoughts on best practices.

During the reporting period, we undertook independent company engagements as part of CA 100+ and suggested improvements for the focus companies in line with our transparency, accountability and impact framework and our climate-focused thematic engagement programme CR 2.0.

We were pleased to note some positive outcomes from these engagement. One company published its first trade association climate lobbying report. Another company provided disclosures of Scope 3 emissions, scenario analysis and additional reporting on physical and transition risks.

*Please refer to **Principle 4 on page 23** for more information on our approach to climate risk.*

CASE STUDY

Collaboration on executive remuneration

Nuveen is a member of FCLTGlobal, a non-profit organisation whose mission is to focus capital on the long-term to support a sustainable and prosperous economy. Other members include asset owners, asset managers and companies that share beliefs in the importance of long-term practices and develop actionable research and tools to drive long-term value creation for savers and communities.

In May to June 2023, we participated in a collaborative initiative organised by FCLTGlobal, who created a working group among members to discuss ways to better assess executive pay with a focus on the long-term.

The challenges that the group was seeking to address included the balance of rewards toward short-term financial targets at the expense of long-term value creation; frustrations of both companies and investors with say-on-pay voting; time dimensions and metrics of remuneration design. Nuveen specifically raised considerations around the use of non-GAAP metrics in remuneration plans and one time awards for backward-looking achievements.

There were two key outcomes from our participation in this initiative. The first was the publication of a research report titled *"The CEO Shareholder: Straightforward Rewards for Long-term Performance"*, which contained expectations for companies and actionable toolkits for investors to better assess long-term alignment of executive remuneration. The second related to one of the corporate members in FCLTGlobal, which moved away from using non-GAAP metrics in its remuneration plan. Nuveen had been engaging with the company and the broader technology sector on the issue since 2020.

REFLECTING ON OUTCOMES

We have sought to provide examples of collaborative engagement both directly with issuers and through industry associations, as we believe both are important methods to influence change. We have anonymised examples considered sensitive. We recognise that not all engagements result in discrete or desired outcomes, and that it may take years to achieve outcomes and see their effects.

ENGAGEMENT

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

TRUST AND ACCOUNTABILITY FOR OVERSIGHT AND EXECUTION

In general, we believe our investments presume implicitly that the boards of directors and company management operate in an ethical, transparent and accountable manner with the intent to preserve long-term value. Therefore, it is a default position to defer to the board and management's decisions on the specific strategy or most practical means to address a particular stakeholder risk or opportunity. This is most evident in the fact that we support most director elections on an annual basis.

Boards are responsible for setting the ethical tone and culture for the company, assuring the corporation's financial integrity, developing compensation and succession planning policies, and ensuring management accountability. We do not expect the board to micromanage the operations of the business, but we do expect the board to be proactive in identifying and addressing forward-looking risks and opportunities that will affect the long-term value of the business. We believe it is necessary for the board to ensure there is transparency into operations for investors to assess the risks and opportunities. In addition, we believe the board should ensure that the company has a clearly articulated strategy and can substantiate its plans to manage the risks and opportunities for long-term performance.

While it is the role of the board to ensure that investors and stakeholders understand the strategy for addressing risks and opportunities, it is management's function to execute the business strategy in a manner that mitigates risks and capitalises on opportunities. Management accountability is generally viewed through the lens of compensation and aligning pay with performance. We believe a pay-for-performance philosophy must include both creating the right incentives for management to focus on the long-term value opportunities as well as create accountability for the way in which the business operates to achieve those goals. In many cases, such as a net zero 2050 economy, the current directors and management teams will not be in their respective positions to be affected by the realisation of the risk or opportunity. As such, some level of exogenous pressure to develop the business beyond the term of the current leadership is necessary. A short-term focus or a short-term strategy to align with long-term financial targets will not be sustainable.

CASE STUDY

Accountability — Executive remuneration at Nike

Nuveen focuses on executive compensation because of its alignment with the firm's process for fundamental investment analysis and the opportunity to create incentives and accountability of management for financial and stakeholder performance.

In 2020, there was an executive succession event at Nike and one-time awards granted that resulted in the appearance of a pay-for-performance misalignment.

Nonetheless, the relevant analysts and fund managers contextualised the strategically planned executive succession and positive long-term outlook for the company at both the time of the succession and in the context of the COVID impact on the business in terms of supply chain issues and consumer demand. These views informed both the engagement and case-by-case consideration for the 2022 say-on-pay vote.

Nike contextualised the missed annual bonus targets and changes to the compensation programme due to the COVID lockdowns disrupting supply chains and reducing traffic to retail stores impacting revenue opportunity.

Therefore, the compensation committee made the decision to split the annual performance period into two equally weighted six-month periods with adjustments made to performance targets based on mid-year forecast updates. The overall result was payments to executives at 80% of the original target bonus, while the CEO received no annual bonus payout.

Given Nuveen's long-term focus on pay-for-performance, our engagement in 2022 advocated that the company use the opportunity of changes in the compensation programme to also introduce best practices within the long-term bonus grants. Over the years, the company made a commitment to phase-in performance share units to account for 50% of total long-term awards.

Despite the initial concerns identified with the unusual pay practices, Nuveen continued to support Nike's say-on-pay vote despite the market-level support of 65%, 71%, and 54% respectively over the first three years since the executive succession. Our support was based on alignment between our investment outlook and the compensation targets set, taking into account macroeconomic developments, as well as the ongoing improvements in the compensation programme design.

Nike continues to seek Nuveen's feedback and improving the plan design and communicating its decisions to shareholders to gain additional market support. The say-on-pay vote received 88% support at the 2023 annual meeting, reflecting the passing of the one-time award quantum from investor pay-for-performance screens and the commitment by Nike to address shareholder feedback, including rebalancing the mix of equity awards between time-based restricted stock, performance-based restricted stock and stock options.

OUR APPROACH TO ESCALATION

In situations where the board and management lack transparency or accountability, or otherwise appear to operate the business in a manner that is disconnected from material stakeholder risks and opportunities, then we may exercise voting rights against management. Voting against management may include support for a shareholder resolution requesting additional transparency, accountability or impact on a material stakeholder theme. It may also include escalation in the form of votes against management proposals, including the election of director(s) responsible for oversight of stakeholder issues.

In 2020, to create more structure and connectivity between our engagement and proxy voting we developed a three-year escalation roadmap for pushing companies when they are not responsive to our engagement and significantly lag our expectations. This has allowed us to more directly connect unaddressed environmental and social issues, not just governance concerns, to shareholder proposal and director voting.

Our multi-year strategy includes ongoing engagement, but also incorporates support for shareholder proposals and voting against boards of directors to escalate important, financially material issues and drive desired outcomes. We use proprietary evaluation templates, company reporting and third-party research to inform escalation decisions.

USING ESCALATION THOUGHTFULLY

We believe that escalation measures are most effective when used thoughtfully, which is why we take a gradual and deliberate approach in the way we execute escalation strategies.

We generally use targeted initiatives to develop subject matter expertise on a particular theme, which enables us to appropriately calibrate our expectations and parse out leading and lagging practices on the selected issues of focus. Through the in-depth research and engagement of our targeted initiatives, we ultimately seek to develop an understanding of risks and opportunities at the market, industry and company-level to extrapolate our escalation strategy from the targeted universe of companies to a more systematic approach to escalation.

Consistent with our overall stewardship approach on engagement and proxy voting, our selection and prioritisation process for escalations considers various factors such as company circumstances, materiality, local regulation, market norms and cultural differences. In this regard, we may support shareholder proposals that advocate for increasing disclosure of an emerging issue beyond the current disclosure norms but not necessarily or immediately carry over that view into votes against directors at companies that appear to be laggards or have ad-hoc controversies. Our approach to applying escalations generally focuses on companies that typically have the greatest absolute risk (usually determined by company size and market) and the most opportunity (often determined by resources available to assess risk and invest in solutions). We then work outwards across value chains, market caps and geographical markets to progressively cover a higher proportion of the market and of our portfolio.

To illustrate, we typically begin applying escalation strategies to the prioritised companies within the scope of a targeted initiative. As we implement escalation measures and learn about their effectiveness, we expand the scope of application to a broader set of companies.

For example, the transparency expectations initially applied to the 147 companies within CR 1.0 were subsequently extended to over 1,600 companies, with operational execution supported by the clear and actionable criteria provided to our proxy advisor ISS *(see case study under **Principle 12 on page 81**)*.

Another example relates to our voting guidelines on board quality and diversity, which is applied with consideration to regional nuances. For instance, in markets such as Australia, Canada, the U.K., the U.S. and EMEA (large-cap companies part of the STOXX 600 index), our voting policy in 2022–2023 was to vote against the incumbent chair of the nominating committee if the board does not include at least two female directors. For companies in markets such as Japan, India, China, Mexico and Brazil, the requirement in the period was of at least one female directors. From the 2023-2024 proxy season, we will increase the expectation to two women on the board for large-cap companies in these markets. We also maintain race/ethnicity board diversity expectations for U.K. and U.S. companies, but not for other countries, in recognition of the different market norms.

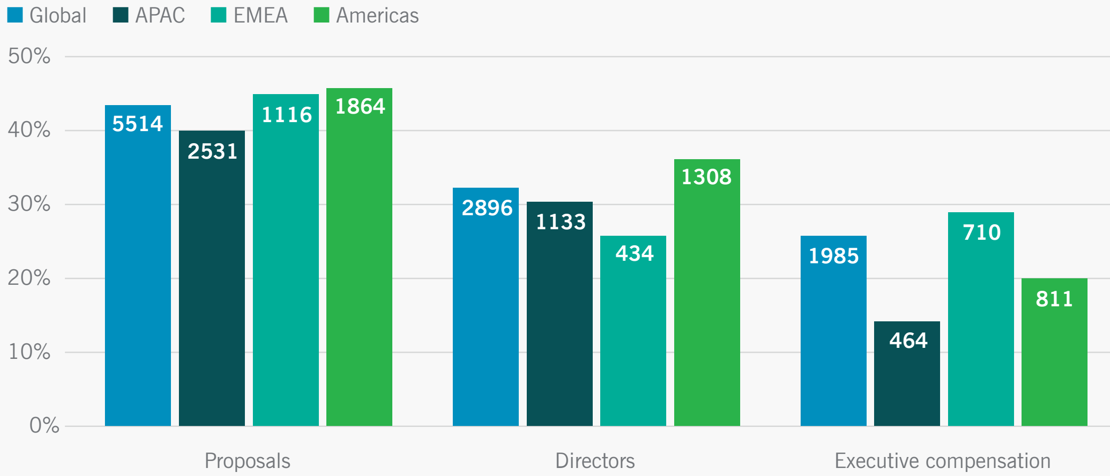
Vote escalation decisions are also generally contextualised with relevant company-specific factors and case-by-case extenuating circumstances.

HOLDING COMPANIES AND DIRECTORS ACCOUNTABLE

*As described under **Principle 12 on page 81**,* we use voting as a means to hold companies accountable for developing and executing a strategy that aligns to long-term value creation. Our case-by-case approach takes into account progress made as well as future direction. For example, during the period we voted against management at over 5,500 companies, and escalated 170 proposals related to ESG risks, including climate risk, diversity and inclusion, and business ethics.

A lack of strategy or oversight on a material risk for the company is the basis to vote against directors for ESG issues. Our votes against directors are tied to the directors on the board committee that are most responsible for strategy and oversight of that particular area. Given our analysis that suggests correlation between board refreshment and ESG performance improvement, our vote is meant to signal that the committee should reevaluate its current approach and bring new ideas and/or persons into the strategy and oversight review. Our expectation is to see a tangible change in strategy and oversight more so than an explicit change in the board or its committees.

Figure 11.1: % and # meetings with at least one vote against management



Source: Nuveen, 1 July 2022 – 30 June 2023

Figure 11.2: Rationale for votes against management

(# of proposals)*

	GLOBAL (INCL. 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

* % may not add to 100 as a vote against a particular director may be based on multiple factors.
Source: Nuveen, 1 July 2022 – 30 June 2023

Figure 11.3: Escalation theme

	# companies
Environmental	95
Social	23
Governance	7

CASE STUDY

Accountability — Climate risk at Conoco Philipps

Nuveen acknowledges the growing body of research that finds value in responsible, active ownership, rather than the transfer of assets and influence to less responsible actors in the global economy. In general, our engagement with oil and gas companies seeks to ensure that decarbonisation commitments have a real-world impact rather than implicitly incentivising divestment and transfer of emissions to entities that are less influenced by investor stewardship and less accountable for the operation of assets. This approach is validated by *Key Elements for a Net Zero Transition at Oil and Gas Exploration & Production Companies* produced by Ceres in collaboration with energy sector leaders: it finds that "placing a requirement on leading [exploration & production] companies to meet a Scope 3 target could have the effect of shifting capital away from responsible operators towards less accountable producers and jurisdictions, and ultimately not effectively address end-use emissions."

At the 2021 annual meeting of Conoco Philipps, Nuveen supported a shareholder proposal requesting to set emissions reductions targets covering GHG emissions for the company's operations (Scope 1 and 2) as well as their energy products (Scope 3). The proposal passed with 59% support. A similar proposal was submitted at the 2022 annual meeting.

Nuveen had engaged the company prior to the vote and advocated for the company to consider the risks and opportunities of a low carbon transition, even if not represented by a traditional Scope 3 target. While Conoco was partially responsive to the 2021 proposal by setting a net zero target for Scope 1 and 2 emissions by 2050, the company disregarded Scope 3 emissions on the basis that it cannot control the global demand or use of its products. Given the failure to address Scope 3 emissions entirely, Nuveen supported the shareholder proposal again in 2022, although it did not pass with 39% support. In September 2022, we also sent a letter to the board outlining our expectations regarding management and mitigation of our climate risk, due to our exposure to Conoco via financed emissions, as part of our CR 2.0 initiative.

We understood that, for pure-play oil exploration and production companies, the idea of a near-term target which includes Scope 3 emissions can be unrealistic. Recognising this, we sought to understand a more appropriate metric or commitment for how a company will preserve shareholder value through the early and middle stages of low-carbon transition.

Our engagement with the company in 2023 focused on developing an appropriate KPI that combines the global intent of emissions reductions without the company itself aiming to destroy the value of its business. Conoco agreed to consider pairing its carbon emissions goals with shareholder returns goals in terms of demonstrating alignment between value preservation and long-term carbon transition. Conoco also agreed to consider integrating its internal carbon price measurements into its profitability calculations to better demonstrate the alignment between future growth investments and the value of that growth in a low carbon transition environment.

In combination, we were encouraged by the balanced results achieved through vote escalation and engagement. We believe that ensuring Conoco meets its operational reduction goals, appropriately allocates capital to preserve value through the transition, and returns additional capital to shareholders will achieve better results than advocating Conoco divest assets or invest heavily in low carbon solutions like carbon capture that are not aligned with its current low-decline asset mix.

In addition, Nuveen continues to advocate for responsible operations by these companies and we focus our advocacy on companies meeting best-in-class standards for operational intensity in terms of Scope 1 and Scope 2 emissions. In our most recent assessment within the CR 2.0 initiative, Conoco was assessed in the top quartile of energy companies regarding its transparency and accountability in terms of climate transition strategy.

CASE STUDY

Accountability — Governance, remuneration and shareholders rights at Netflix

Nuveen focuses on compensation in the communication services industry because of the industry-wide frequency of outsized compensation awards and lack of alignment on financial metrics that demonstrate long-term, sustainable value-creation for shareholders. Companies often use peer benchmarking to justify compensation decisions without acknowledging shareholder disapproval of the compensation plan design.

Specifically, our focus on executive compensation with Netflix was part of a larger effort to advocate for Netflix to mature its corporate governance structure to better reflect a company of its size, market capitalisation and industry influence. Engagement with Netflix was particularly important given the company's noted frustration with shareholder engagement, because of the cycle of votes against management proposals feeding into votes against directors, then resulting in follow-on votes against directors for failing to remove the directors.

Over the course of three years, Nuveen supported shareholder proposals to improve shareholder rights, voted against say-on-pay for insufficient alignment between compensation plan design and company performance, and voted against directors for lack of responsiveness to the outcomes of the shareholder votes in prior years.

During the period of vote escalation between 2020 and 2023, Nuveen engaged with management to understand the strategic or operational risks around improving shareholder rights, and discussed with the board the process for reviewing governance and compensation practices considering company growth, new market expectations and the forward-looking business strategy.

Nuveen additionally participated in collaborative discussions with other investors and Netflix directors to create a uniform understanding between the company and its long-term shareholders on the ongoing drivers of the significant shareholder dissent and what would constitute responsiveness to those issues.

In 2022, Netflix adopted several shareholder rights improvements, including proxy access, a declassified board, elimination of supermajority vote requirements and the right for shareholders to call a special meeting. Nuveen appreciated the board responsiveness to shareholder views while maintaining what it deemed the essence of company culture, which the board felt was reflected in the compensation plan design. As a result of the changes, Nuveen ceased its vote escalation strategy and supported management say-on-pay proposal and the director nominees.

Based on our constructive and collaborative approach, Nuveen was invited by Netflix as one of the sub-set of investors to address the continued low support for say-on-pay. This was the first discussion in which we were able to advocate for changes to better align compensation design with shareholder views and long-term value focus.

In 2023, Netflix disclosed the adoption of two key guardrails suggested by Nuveen: a minimum 50% allocation of compensation to stock options by the co-CEOs, and the introduction of an annual performance-based cash bonus to ensure management remains focused on operational excellence and quality earnings separate from changes to market valuation. Netflix also included a cap on CEO salary and added vesting periods to its stock option awards.

While the changes to compensation were ultimately deemed insufficient by investors to result in a passing say-on-pay vote, there is some evidence of shareholders recognising board responsiveness and accountability as the average support for directors up for election increased from 64% to 88%.

ESCALATION IN OTHER ASSET CLASSES

Similar to public equities, there are a range of mechanisms to escalate potential issues across other asset classes. Given Nuveen's size and scale, our investment teams generally have access to management teams at issuers and may have direct dialogue with issuer management to address potential issues. Should these efforts not yield adequate results, we may opt to pursue a collaborative engagement alongside other investors, engage with industry bodies, and/or reduce or exit our investment.

Escalation measures in other asset classes may take various forms depending on several factors. For example, in the context of private debt, we may be able to engage with the private equity sponsors who have influence/control over the business. In real estate, direct ownership of assets allows us direct control. In other situations, there may be binding contractual agreements that guide relationships and expectations with counterparties, with instances requiring escalation that can be addressed through agreed provisions.

For example, in Churchill's private market investments, effective engagement with portfolio companies, their private equity sponsors and the broader market enables us to drive change to mitigate corporate risks, bolster company value and promote environmental and social objectives across our investments.

Churchill undertakes a collaborative and constructive approach to engagement. Over time we have seen the benefits of a partnership-focused approach to influence issuers leveraging our position of capital providers, rather than a directive stance to enforce change. Issuers' management teams and their private equity sponsors are generally receptive to our views and willing to collaborate to achieve shared positive outcomes.

Nonetheless, there may be situations in which escalation is warranted to ensure our perspective is taken into consideration. We remain mindful of the confidentiality obligations in our agreements. A typical escalation mechanism may include further engagement with key stakeholders at the private equity sponsors to reinforce requests and perspectives.

Another mechanism may be to caution the issuer around the possibility of not being able to commit more capital or participating in future deals, unless certain changes are enacted. Terminating current relationships (i.e. divesting) would be an extreme measure in case of inability to achieve results.

In one instance, the Churchill investment team requested that an issuer divested a part of their business that was not within Churchill's exclusion list, as a condition of participation. The issuer agreed to put in place a plan to dispose of the business unit.

Exercising rights and responsibilities

Principle 12 ▶

EXERCISING RIGHTS AND RESPONSIBILITIES

Principle 12

Signatories actively exercise their rights and responsibilities.

OUR PROXY VOTING POLICIES AND APPROACH

As a result of the One Nuveen Proxy Voting Initiative, conducted throughout 2022, Nuveen determined to unify proxy voting policies and procedures across Nuveen Asset Management, LLC (NAM), Teachers Advisors, LLC (TAL) and TIAA-CREF Investment Management, LLC (TCIM), collectively, the Advisors effective 1 October 2022. The unification also created a centralised governance framework and a unified proxy voting committee (PVC). Additionally, the number and composition of the PVC's voting and non-voting members was expanded.

Nuveen's suite of proxy voting policies consists of the Nuveen Proxy Voting Policy and Procedures, the Nuveen Proxy Voting Conflicts of Interest Policy and Procedures, and the Nuveen Proxy Voting Guidelines (together the Policies). The Policies are publicly available on our website.

Nuveen's PVC provides oversight of the proxy voting policies and procedures, including providing a governance framework to facilitate and monitor the exercise of such proxy voting, and to fulfil reporting and recordkeeping obligations under applicable laws and regulations.

The unified approach, first implemented during the 2023 proxy season, led to improved collaboration with investment teams, demonstrated a bespoke process independent of proxy advisory firms through a customised voting policy focused on preserving and enhancing long-term shareholder value, and delivered greater efficiency thanks to a consistent automated workflow.

OUR APPROACH TO DIRECT CLIENT VOTING

The Nuveen Proxy Voting Policy and Guidelines serve as a foundational framework for our proxy voting activities. They were established to ensure consistency, compliance and alignment with our fiduciary responsibilities, and they reflect our commitment to delivering recommendations that prioritise our client's best interest. We are unable to accommodate client requests to direct voting in pooled accounts as we do not offer pass through voting options. In instances and special circumstances where clients in a segregated account wish to override a house policy, we would seek to accommodate the client's request and may vote a proxy based on instructions of the client or its representative.

INDEPENDENT APPROACH IN WORKING WITH PROXY ADVISORS

Nuveen uses the voting services provided by proxy advisors to execute its voting activity in line with its established voting policies and voting procedures.

Institutional Shareholder Services (ISS) is Nuveen's primary proxy service provider. We use their proxy voting research as an input into our custom research policy. ISS also provides our voting platform and other services including vote execution, investment professional communication, and public vote disclosure.

Through collaborative efforts with ISS, we have developed clear guidelines and a framework that outlines specific criteria to support our stewardship efforts. At least annually, the Stewardship team reviews a summary of ISS' upcoming proxy season policy changes and works with ISS to ensure seamless integration into our custom policy.

Through our proxy advisor, every proposal on the ballot is tagged with a code. Codes are then categorized to different themes and workflow actions that inform the priority and type of analysis given to the proposal.

Nuveen's Proxy Voting Guidelines are broken down into categories that can be mapped to the relevant proposal codes developed by the proxy advisor. Nuveen also works with its dedicated team within the proxy advisor to establish the rules-based approaches from its guidelines that can be implemented through the data that is available in the company proxy statement. These rules-based instructions vary across markets to account for the market-specific norms that must be taken into account in relation to a set of global proxy guidelines.

In addition, we establish a more holistic assessment of the transparency, accountability and impact the company may be having in relation to the stakeholder risks and opportunities being addressed in proxy proposals. In some instances, we rely on a combination of data from the proxy statement, other company ESG disclosures, third-party ESG vendors and traditional financial information to assess company transparency and strategy on material issues such as climate risk. We then feed the holistic assessment into the proxy advisor implementation tool to flag companies that fall below our benchmark expectations and combine the flags with the information of which directors have committee-level responsibility for climate to target the directors who are most accountable.

There are also rules-based approaches within the instructions provided to ISS to leave proposal recommendations undefined or flagged for additional case-by-case overlay to ensure there is clarity in the voting recommendation and consistent action taken internally to complete the relevant assessments. This may occur when there is a requirement to take into account a specific investment thesis or balancing of factors that cannot be quantified or benchmarked for rules-based application. For example, how companies navigate the various environmental, employee, community, regulatory, and financial implications that are associated with a "just transition" analysis.

CASE STUDY

Developing actionable frameworks to guide proxy voting activity

Working in close collaboration with ISS over the years, we have put in place a series of processes to flag proxy voting meetings for ESG-related issues that we have deemed high-priority, including climate risk, diversity and inclusion, and executive compensation.

These flags take the form of company-specific lists, issue-specific lists and rules embedded in the proxy advisor implementation tool for issues that will require more in-depth case-by-case review. These processes require different levels of manual review, socialisation within the RI team and with the relevant portfolio managers and investment analysts and, when required, the Nuveen PVC. The voting platform of our proxy advisor seeks to ensure appropriate socialisation and, where necessary, approval before votes are submitted.

For example, these processes have enabled us to support the execution of our climate risk initiatives and related vote escalations, as outlined under ***Principle 4 on page 23*** and ***Principle 11 on page 73***. In 2022-2023, we continued to reiterate and refine the specific criteria to improve the clarity and accuracy of their application.

While ISS has an “off-the-shelf” module for assessing company disclosure quality on climate risk in line with the TCFD pillars, we determined that the ISS methodology did not sufficiently align with our views on the most material investment factors within TCFD reporting. Furthermore, it did not appropriately account for differences in materiality or disclosure norms across markets, industries and company market caps.

Therefore, we developed a coordinated approach that provided a customised overlay to define the risk category for a company and related threshold disclosure expectations.

ISS was then able to provide vote recommendations for escalation against director elections when warranted due to insufficient board-level oversight and strategy on climate risk.

This coordinated process allows Nuveen to scale the universe of companies which are assessed in line with climate disclosure expectations while maintaining the appropriate financial materiality and case-by-case considerations developed through our climate risk initiatives.

The rules-based approaches are reassessed with ISS on an annual basis ahead of proxy season. The Proxy Operations team also tracks the number of overrides executed internally based on case-by-case review and report them to the PVC on a quarterly basis. The rules-based approaches will be updated ad-hoc wherever it is determined that there is a lack of clarity or consistency in the application or Nuveen is consistently overriding a rule based on the market- or industry-specific application.

BALANCING NEEDS IN THE EXERCISE OF OUR PROXY VOTING RIGHTS

Nuveen’s Securities Lending Committee administers and oversees the stock lending programme. It has the discretion to approve and/or remove all borrowers under the lending programme. The lending funds have the ability to recall loaned securities from borrowers at any time and for any reason.

Nuveen has identified two instances whereby securities are recalled for proxy voting purposes, in each case where proxy voting is deemed material to maximising long-term shareholder value: at a portfolio manager and/or research analyst’s discretion, or when an aggregated, enterprise-wide, common stock holding equals or exceeds a 5% beneficial ownership threshold.

Nuveen seeks to exercise all of the voting rights that are available in accordance with its Proxy Voting Guidelines. Our ability to vote is subject to timely receipt of the proxy. Proxies relating to certain non-U.S. securities are subject to establishment by applicable parties of any necessary local documentation. During the period, we voted approximately 99% of voteable ballots and proposals. While we do not currently disclose the proportion of shares voted, we intend to make this information available later in 2024.

Nuveen has several processes in place to monitor our holdings and respective voting rights and we engage with several market participants involved in the proxy voting process, such as custodians and other intermediaries, to ensure accurate and up-to-date information. Our proxy advisor performs holdings reconciliations on our behalf.

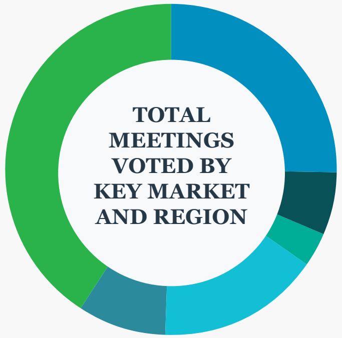
PROXY VOTING DISCLOSURE

We strive to meet a high standard of transparency for our clients on our proxy voting decisions. Our annual stewardship report provides detailed disclosure of our proxy voting activity across several dimensions, as reflected also in this report. Our proxy vote disclosures are also publicly available at ***VDS Dashboard (issgovernance.com)***

Figure 12.1: Proxy voting summary

Total proposals voted	**129,446**
Total meetings voted	**12,847**
Total exec. comp. votes	**15,676**
Total director votes	**53,752**

Source: Nuveen, 1 July 2022 – 30 June 2023



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

CASE STUDY

Providing transparency on proxy voting

In 2020, we began disclosing vote rationales for every shareholder proposal at S&P 500 companies, rather than providing rationales for select votes. In 2021, we expanded the level of transparency, and included rationales for votes against directors at those companies. In 2022 and 2023, we continued to maintain this elevated level of transparency in a catalogue of over 500 votes and the reasoning behind them. In addition to providing rationales for our voting, we indicate the ESG issue addressed and the alignment with principles laid out in our Nuveen Policy Statement on Responsible Investing. Resolutions are assessed on a case-by-case basis to understand materiality for the specific company, existing disclosure and accountability measures.

This disclosure is available through our *website*.

VOTING ON ESG RESOLUTIONS

Our voting on shareholder proposals requires that a proposal meets the foundational criteria of materiality, investor relevance, is appropriate for company responsiveness, and is intended to improve company operations, products or services. If the foundational criteria are satisfied, then a case-by-case review looks at the extent to which the company has substantially implemented the proposal's explicit request or whether the company has reporting, strategy or explicit performance that substantially addresses the stakeholder issue that is the focus of the proposal.

Substantial implementation is a point-in-time assessment of the company's strategy against the identified or projected risks and opportunities. The company's strategy may prove to be more or less successful than anticipated and the timing and severity of risks and opportunities may require a recalibration in the future.

Figure 12.2: Shareholder proposals support overview

Shareholder proposals filed with U.S. Companies

NUVEEN SHAREHOLDER PROPOSAL CATEGORIES	NUMBER OF PROPOSALS	% OF PROPOSALS SUPPORTED IN REPORTING YEAR	YOY CHANGE IN ABSOLUTE NUMBER OF PROPOSALS SUPPORTED
Environmental			(+12)
Climate change	80	53%	+14
Natural resources	16	31%	-2
Social			(-11)
Diversity and inclusion	42	57%	-7
Talent management	26	23%	+2
Product responsibility	25	20%	-3
Customers	24	38%	+3
Communities	19	11%	-6
Employee health and safety	4	25%	0
Governance			(-37)
Business ethics, transparency and accountability	140	19%	-9
Shareholder rights	95	25%	-16
Board structure and operation	86	12%	-8
Executive compensation	64	9%	-2
Board quality	11	9%	0
Miscellaneous issue	1	0%	-2
Total	633	25%	-36

Source: Nuveen, 1 July 2022 – 30 June 2023

FOLLOW-UP LETTERS FOR FURTHER ENGAGEMENT

To provide companies with additional guidance on our views, we have chosen to send post-vote follow-up letters on many of our key shareholder proposal votes trom the 2023 proxy season.

The intent of these letters may be to articulate our perspective on current implementation, or to raise unaddressed or potential future circumstances that may require recalibration, or to convey that progress to date is sufficient but achievement of goals or targets beyond current performance is necessary.

These letters align with our overall stewardship strategy of collaborating with companies to make meaningful and practical progress by keeping our voting record aligned with our investment conviction on the current state of risks and opportunities.

Figure 12.3: Rationales for shareholder proposals not supported

NUVEEN SHAREHOLDER PROPOSAL CATEGORIES	TOO NARROWLY DEFINED/ PERSONAL INTEREST	LACKS DIRECT RELEVANCE OR DOES NOT ALIGN TO LONG-TERM VALUE	NOT APPROPRIATE MEANS	FALSE/ MISLEADING INTENT	SUBSTANTIALLY IMPLEMENTED	Follow-up proxy letters to further address risks/ opportunities notwithstanding current implementation % OF VOTES THAT WERE BASED ON OUR CONCLUSION OF "SUBSTANTIAL IMPLEMENTATION"
Environmental						**Environmental**
Climate change	—	11	8	—	18	78%
Natural resources	1	1	—	—	8	63%
Social						**Social**
Communities	1	3	1	—	13	8%
Diversity and inclusion	1	—	1	1	15	27%
Customers	2	2	3	—	8	25%
Product responsibility	—	4	1	—	15	7%
Talent management	4	2	5	—	9	11%
Employee health and safety	—	—	—	—	3	0%
Total						**32%**

Source: Nuveen, 1 July 2022 – 30 June 2023

CASE STUDY

Executive compensation at Petra Diamonds

Nuveen's equity holding in U.K.-listed mining company Petra Diamonds stems from a debt-to-equity conversion as part of the company restructuring in 2021 associated with bankruptcy proceedings. Nuveen sought to engage the board regarding a redesigned executive remuneration policy to ensure there was appropriate pay-for-performance alignment that properly accounted for the industry- and company- considerations post-bankruptcy.

In particular, Nuveen engaged the board on its balance of pay-for-performance alignment accounting for equity returns with the concerns that management would take on excess risk similar to what had previously resulted in bankruptcy.

Post-bankruptcy, Petra had taken the necessary actions to strengthen the business to improve cash flow generation and reduce debt. Projects are on track to deliver an annual production increase by FY 2025 and Petra discussed its intent to provide updated production guidance extending to FY 2026.

To create management stability and allow the company to stabilise its market position in a concentrated industry, the 2023 remuneration policy update included "super stretch" share price targets with increased potential payouts for management as well as ESG targets within the compensation plan to ensure financial performance was achieved through appropriate and sustainable business operations.

Taking into account the investment thesis from our fixed income portfolio management team as well as the firm-wide expectations regarding pay-for-performance alignment, Nuveen supported the updated remuneration policy at the 2023 annual meeting and the vote passed with 98% support.

CASE STUDY

Contested election at Seven & i Holdings

Nuveen has engaged Japanese diversified retail company Seven & i Holdings over a multi-year period on topics such as board diversity, employee health and safety, customer privacy, physical impacts of climate change and biodiversity.

Our engagement during 2023 focused primarily on governance topics as the company was the target of a contested election of directors from another shareholder. This shareholder has also been engaging with the company over a number of years. Nuveen has engaged with this shareholder in relation to other campaigns and noted its governance-first and long-term focus in bringing change.

Nuveen engaged with Seven & i Holdings on the connectivity between the various businesses within the holding company and the synergies the company believed could be created between convenience store, traditional grocery store and other retail businesses, and what role technology could play in unlocking synergies across the portfolio.

Overall, Nuveen considered that the dissident shareholders had made a compelling case to challenge the strategic assumptions of the board, and its proposed nominees would strike the appropriate balance between offering strategic alternatives while respecting the local market governance and operational dynamics. The dissident nominees received significant support, including ours, at the 2023 annual meeting but none received sufficient support to be elected to the board. The activity around the annual meeting resulted in the board establishing a strategic committee made up of entirely independent directors, responsible for monitoring strategy and providing feedback during monthly meetings with the company president.

Nuveen engagement with the company is ongoing. Following the contested meeting, we discussed the growth in private label products to improve profit margins and offerings to meet the convenience needs of working women with family responsibilities. We also continue to monitor the company's medium-term management plan and targeted return-on-equity improvements.

CASE STUDY

Climate lobbying shareholder proposal at Toyota

Nuveen had been engaging with Japanese carmaker Toyota in relation to our climate risk 2.0 initiative.

Toyota received a shareholder proposal at the 2023 annual meeting regarding how the company's lobbying activities may address climate change and whether there are any instances of misalignment that could pose risks to the company.

Toyota, like most Japanese companies, does not benchmark well against western third-party assessments of corporate political engagement. While there are some cultural sensitivities, Nuveen generally believes that companies with global operations must demonstrate oversight and accountability for activities, including those of its third-party partnerships, in all markets.

Despite Toyota's efforts to engage with stakeholder focused on the issue, the company described to Nuveen that the expectation of the shareholder filing the proposal was to have Toyota make a commitment to manufacture electric vehicles exclusively by a target date that would support a Paris-aligned transition pathway. Toyota, on the other hand, has adopted a medium-term management plan that demonstrates a transition-focused business strategy; it does not commit explicitly to a phase-out of internal combustion vehicles, but it provides a target date given the uncertainty of projected supply and demand dynamics beyond its current strategy cycle.

Beyond the proposal's specific focus on climate lobbying activity, Nuveen also considered its overall assessment of Toyota's climate risk exposure and transition strategy. Toyota is assessed at the highest performance level in Nuveen's CR 2.0 framework and has demonstrated responsiveness to ongoing shareholder engagements- the company has embraced the Japanese philosophy of kaizen ('continuous improvement') with regard to the climate transition.

As such, Nuveen voted with management and did not support the proposal, which received 15% support at the annual meeting.

Nonetheless, in January 2024 Toyota published an update to its views on Climate Public Policies in response to shareholder feedback on this topic. This document outlines their climate lobbying positions, reviews the Paris-alignment of six industry associations (expanding on previous years disclosures), and lists several industry associations that are 'influential in climate change related policies.'

CASE STUDY

Election of directors at Shinhan Financial

In 2021 and 2022, Nuveen voted against the election of directors at the South Korean holding company Shinhan Financial. This was due to the governance controversy regarding the failure to remove the company CEO who had been convicted of violating the Equal Employment Opportunity Act by discriminating against female applicants and favouring the applications of the family members of political officials.

However, following the initial guilty verdict in 2020, the court's ruling was appealed, and the conviction reversed on grounds of insufficient evidence to support the indictment. Ahead of the 2023 annual meeting, Nuveen engaged with the company to understand the context regarding the legal proceedings as well as the root cause of the underlying governance concerns associated with the recruitment controversy and the misappropriation of funds from the asset management business.

During the engagement, the company provided a robust explanation of its enterprise risk review and the new processes and governance structures to mitigate this type of activity going forward. The company noted the detection and whistleblower action taken by the newly appointed CEO, which it considered was counter to the narrative of "lack of accountability" described in proxy advisor research.

In addition, the company provided context on the revolving-door nature of political appointees to regulatory oversight roles in the Korean market. Based on our analysis and understanding of situations in emerging markets that can involve use of the regulatory process for political purposes, we ultimately considered that the current board had substantially addressed the known controversies. We deemed the perceived inaction based on an ongoing regulatory review as insufficient justification to remove the entire board, as recommended by the proxy advisor, absent additional findings that may become known in the future.

The board also demonstrated a commitment to continual review and refreshment as evidenced by its target to achieve 30% gender diversity on the board. Our review determined that support was warranted for all directors. Overall, director support levels in 2023 ranged from 70% to 99%.

FIXED INCOME

As fixed income investors and active managers, there are various mechanisms available to exercise our stewardship responsibilities.

Communication can be direct with the issuer, through the underwriter and/or may involve engagement with industry organisations on ESG best practices and reporting standards. Furthermore, there are opportunities to engage with sovereign and municipal debt issuers, which requires an understanding of the unique ways that ESG issues might intersect with complex country and local government functions and risk.

We seek to work with issuers, capital market participants and other stakeholders through different credit events, such as issuances of new impact bonds (as described in the case study that follows), or in the context of changes to capital structures through restructurings and defaults (see previous Petra Diamonds case study). These situations can provide an opportunity to strengthen practices and provisions on material ESG topics, including through collaboration.

CASE STUDY

Capital markets engagement on core impact bonds

Nuveen's approach to impact investing through its Fixed Income Impact Investing solutions relies on a use of proceeds analysis and transparent, relevant impact measurement and reporting frameworks to create a clear line of sight into the anticipated and real-world outcomes from the financed projects and initiatives. Given the emerging nature of stakeholder-focused investment solutions and the lack of a regulatory standard for whether a security is "green", "blue," or "impact" aligned, Nuveen engages with the issuers and financial intermediaries. This is to ensure that our investments provide the appropriate incentives and accountability mechanisms to deliver on the impact objectives and show proof of concept to both potential issuers and large institutional investors that accessing public fixed income markets can be a powerful way to finance innovative impact opportunities.

Nuveen participated as an anchor investor in the Barbados Blue Bond issued in September 2022. Barbados is economically reliant on tourism (40% of GDP) tied primarily to its beaches and fisheries. Despite this dependence, only 1% of the water surrounding Barbados is currently protected. Nuveen invested in the deal to support the conservation of at least 30% of marine space over the next 15 years. While the 30% conservation threshold is becoming an industry-norm for blue bonds or conservation programmes, Nuveen has engaged with the financial partners to ensure straight guarantees from reputable counterparties involved in the transaction instead of the transaction being structured based on default insurance.

Additionally, Nuveen engaged to require a marine spatial plan (MSP)/management plan as part of the transaction that recognises areas with unique biodiversity along with areas that can sustainably support different levels of activity. The MSP Steering Committee, a separate body made up of representatives of The Nature Conservancy, government officials, and key local stakeholders, will monitor the progress of the protection, along with disbursing grants that support implementation of protection activities identified in the planning. The oversight body will receive annual reports on the progress toward the 30% milestone and will be required to make the progress reports available to investors.

EXERCISING RIGHTS AND RESPONSIBILITIES ACROSS ASSET CLASSES

Similarly to the considerations outlined for escalations under ***Principle 11 on page 73***, exercising rights and responsibilities across asset classes may take various forms depending on several factors such as ownership structures, level of control and contractual agreements. One illustrative example comes from our renewable energy business.

Nuveen Infrastructure often have the position of majority to full ownership of renewable energy assets, allowing us to exercise operating control. Where there is joint ownership, Nuveen Infrastructure would expect to hold board seats providing influence over the joint venture, and the arrangements would be reinforced through the shareholder agreements. This places Nuveen Infrastructure in a position to exercise active ownership and use our influence to maximise overall long-term value. In our investments, including where Nuveen Infrastructure holds minority stakes, we look to ensure compliance and adhere to regulatory requirements and to apply our ESG policies.

Across assets and projects, we also exercise our rights and responsibilities as applicable to the circumstances. One example is the inclusion of certain conditions in contractual agreements for procurement to mitigate the environmental and social footprint of renewable energy projects, as described in the case study that follows.

In 2022, Nuveen Infrastructure developed self-declaration sustainability statements in partnership with a leading global sustainability consultancy, with the goal of appending these statements to the engineering, procurement and construction contracts. Taking steps to improve the sustainability of supply chains remains challenging for various reasons: the sector is rapidly evolving, interactions are indirect and managed through suppliers, and the production of certain components is increasingly concentrated in a small number of key suppliers.

CASE STUDY

Mitigating supply chain risks in batteries

During the due diligence stage for Project Ainola *(see previous case study under **Principle 7 on page 48**)*, the potential sustainability risk in the battery technology supply chain was a focus area for Nuveen Infrastructure in November 2022 through to early 2023.

The battery supplier's scope of work included the engineering and procurement of the entire storage asset as well as installation of the technology on site. Although the lithium iron phosphate batteries are already cobalt-free, thus removing associated supply chain risks with the mineral, the battery packs were to be delivered by a subcontractor whose supply chain extended to China. Establishing responsible procurement practices was thus considered key.

To this end, Nuveen Infrastructure negotiated specific clauses obliging the contractor to ensure that these components were not manufactured under unacceptable conditions. The investment team also consulted with internal and external ESG advisors to examine the contractor's policies, processes and procedures regarding its supply chain risk management, with specific reference to the chosen battery supplier. This included carefully reviewing the supply chain code of conduct and assurance policies, their implementation and enforcement, and the counterparty's ability to carry out these efforts. While an audit of the suppliers' facilities was not possible due to the pandemic restrictions, the team received confirmation that no incidents of human rights or business conduct violations had been reported.

The investment team were pleased with the outcome of the engagement, while noting a challenge with the marked imbalance of bargaining power between the contractor vis-à-vis the battery supplier, who retains a considerable market share. This points to the wider topic of the concentration of renewable energy supply chains, which Nuveen Infrastructure is working on by joining relevant partnerships and diversifying its supply chain.

Another example comes from Nuveen Natural Capital, which works closely with operators, tenants and communities of its timberland and farmland properties to influence the adoption of sustainable practices. The team uses different approaches, as appropriate and material for different operating models, geographies and climatic conditions. Examples of such approaches includes certification schemes, knowledge exchange, training activities and contractual agreements.

CASE STUDY

Collaborating on the adoption of sustainable agriculture through Nuveen Natural Capital (NNC)

Multiyear projects include education summits, such as the annual Silverado Sustainability Viticulture Summit organised by NNC Viticulture, which brings together crop managers, academics and technical experts in California to discuss the application of sustainable approaches in wine-grape production. In Brazil, NNC is part of multi-phase project to increase community awareness of fire risks. The project helps create training to combat fires, as well as practical insights into good agricultural practices. In Australia, the local teams have been investing in the production and application of compost on macadamia orchards; resulting benefits includes the improvement of soil structure, weed control, as well the reduced need for synthetic fertilizer application. In southeast Romania, the planting of tree shelterbelts on a farmland plot of nearly 500 acres, is helping to reduce erosion, as well as improve soil health and pollinator support.

Further details on activities and outcomes achieved are available in *NNC Sustainability Report*.

Appendix

Appendix I ▶

Appendix II ▶

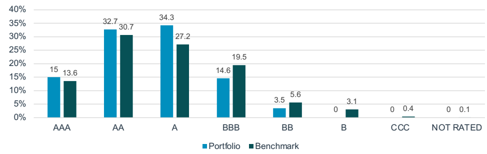
APPENDIX I

ESG Reporting Sample

Portfolio ESG Quality

	Portfolio	Benchmark
Name	SAMPLE	
Number of Holdings	78	2,919
Market Value (Ex-Cash)	$6.1M	-
ESG Score Coverage[1]	100.0%	99.8%
Average ESG Score[2]	7.1	6.8
Average ESG Rating[2, 3]	AA	A

ESG Rating Distribution



Portfolio Environmental Characteristics

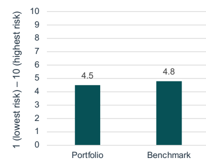
	Portfolio	Benchmark
Name	SAMPLE	
Carbon Footprint Scope 1+2 *(mt CO2e/$1M invested)*[1]	62.3	50.6
Scope 1+2 Coverage[2]	98.6%	99.5%
Carbon Footprint Scope 3 *(mt CO2e/$1M invested)*[1]	320.5	331.1
Scope 3 Coverage[2]	98.6%	99.5%
Carbon Intensity Scope 1 + 2 *(mt CO2e/ million sales)*[3]	159.9	118.1
Carbon Intensity Scope 3 *(mt CO2e/ million sales)*[3]	671.5	667.5
Portfolio Covered by a Science Based Target[4]	46.3%	40.9%

4.5 mt CO2e ≈ 1 gasoline-powered passenger vehicle driven for one year[5]

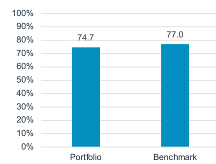
Portfolio Social & Governance Characteristics

	Portfolio	Benchmark
Name	SAMPLE	
Governance Score Coverage[1]	94.5%	95.0%
Board Independence Coverage[1]	90.4%	93.5%
Women on Boards Coverage[1]	100.0%	99.9%

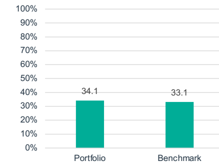
Governance Score[1]



Board Independence[2]



Women on Boards[3]



Source: MSCI ESG Research as of 29 Feb 2024. Portfolio and benchmark level analysis is provided by Nuveen and excludes cash, however short-term instruments, cash equivalents and/or derivatives may affect coverage %. ESG scores range from 0 (worst) to10 (best), ESG ratings range from CCC (worst) to AAA (best). Both aim to measure a company's management of financially relevant ESG risks and opportunities. A higher portfolio ESG score or rating seeks to indicate stronger ESG practices and ability to manage material ESG issues. 1) Coverage is based on % market value of the portfolio and the benchmark constituents that have data for the specified metric. 2) % market value weighted average. 3) Rating is determined by taking the letter rating associated with the portfolio or benchmark's average ESG score. **SEE END DISCLOSURES FOR IMPORTANT INFORMATION REGARDING ESG PORTFOLIO REPORTING.**

Source: MSCI ESG Research as of 29 Feb 2024. Portfolio and benchmark level analysis is provided by Nuveen and excludes cash and non-corporate securities such as sovereign and municipal debt (if held in the specified portfolio or benchmark), however short-term instruments, cash equivalents and/or derivatives may affect coverage %; utilizes most recently reported or estimated GHG emissions data. "mt" stands for metric tons. Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle. Scope 2 emissions are those caused by the generation of electricity purchased by the company. Scope 3 emissions include an array of indirect emissions resulting from activities such as business travel, distribution of products by third parties, and downstream use of a company's products (i.e. by customers). Given the challenges of capturing scope 3, company reporting can often be incomplete or unreliable. 1) Normalized by the total market value expressed in GHG emissions per million $ invested 2) Coverage is based on % market value of the portfolio and the benchmark constituents that have data for the specified metric 3) % market value weighted average emissions per million $ in company sales 4) Indicates issuers that have carbon reduction targets verified by the Science Based Targets Initiative (SBTi) which align with the Paris Agreement goal of limiting warming to 1.5 degrees. An SBTi target indicates that a company has robust and credible plans for reducing is carbon emissions. 5) U.S. EPA Greenhouse Gas Equivalency Calculator: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator **SEE END DISCLOSURES FOR IMPORTANT INFORMATION REGARDING ESG PORTFOLIO REPORTING.**

Source: ISS (governance score and board independence) and MSCI ESG Research (women on boards) as of 29 Feb 2024. Portfolio and benchmark level analysis is provided by Nuveen and excludes cash and non-corporate securities such as sovereign and municipal debt (if held in the specified portfolio or benchmark), however short-term instruments, cash equivalents and/or derivatives may affect coverage %. Governance scores range from 1 (best) to 10 (worst). A lower score indicates that a company has lower corporate governance risk across four key categories: Board Structure, Compensation, Shareholder Rights, and Audit & Risk Oversight. 1) Coverage is based on % market value of the portfolio and the benchmark constituents that have data for the specified metric 2) % market value weighted average; based on the company classification of independence 3) % market value weighted average. **SEE END DISCLOSURES FOR IMPORTANT INFORMATION REGARDING ESG PORTFOLIO REPORTING.**

APPENDIX II

Industry associations and memberships as of July 2023

ORGANISATION	ROLE	SIGNATORY ENTITY
American Council of Life Insurers (ACLI) 360 Community Capital	Founding Partner	TIAA
Asian Corporate Governance Association (ACGA)	Member	Nuveen
Association of Real Estate Funds (AREF)	Member	Nuveen Real Estate Central London Office Fund Nuveen Real Estate UK Property Fund Nuveen Real Estate UK Retail Warehouse Fund Nuveen Real Estate UK Shopping Centre Fund
Assogestioni	Member	Nuveen Asset Management Europe
Better Buildings Alliance	Member	Nuveen Real Estate
Better Buildings Partnership (BBP)	Board Member, BBP Climate Commitment	Nuveen Real Estate
CDP	Investor member	Nuveen
Ceres	Member	Nuveen
CFA Institute Diversity, Equity, and Inclusion Code	Signatory	Nuveen
Climate Action 100+	Signatory	Nuveen
Coalition for Inclusive Capitalism	The Embankment Project for Inclusive Capitalism active member	TIAA
Council of Institutional Investors (CII)	Associate member	
CII Advisory Council member	Nuveen	
Economic Opportunities Coalition	Founding Member	TIAA
Efficient Impact Frontier Collaboration	Alumnus	Nuveen

ORGANISATION	ROLE	SIGNATORY ENTITY
FCLTGlobal	Member	TIAA
Global Impact Investing Network (GIIN) & IRIS+	Member Founding Member of Investor Council Working Group Member	Nuveen
Global Investors for Sustainable Development (GISD)	Founding Member and member of Strategy Group	Nuveen
Global Investors Governance Network (GIGN)	Participant	Nuveen
Global Real Estate Sustainability Benchmark (GRESB)	Reporting member Real Estate Standards Committee Member Real Estate Expert Resource Group 2022	Nuveen Nuveen Real Estate
Good Food Finance Network (GFFN)s High Ambition Group	Member	Nuveen Natural Capital
Green Bond Principles	Member Investor Initial Executive Committee Member Impact Reporting Working Group (until 2019)	Nuveen
Greenprint Center at Urban Land Institute	Member	Nuveen
Harvard Law School Institutional Investor Forum (HIIF)	Member	Nuveen
Inevitable Policy Response (IPR)	Member	Nuveen
International Corporate Governance Network (ICGN)	Founding Member	Nuveen
International Finance Corporation (IFC) Operating Principles for Impact Management	Founding signatory Member of the advisory board and contributor to shaping the Principles	Nuveen

Industry associations and memberships (continued)

ORGANISATION	ROLE	SIGNATORY ENTITY
Investment Company Institute (ICI)	Board of Governors ESG working group member	Nuveen
Institutional Investors Group on Climate Change (IIGCC)	Member	Glennmont Partners
Investor Stewardship Group (ISG)	Signatory Founding Member Board Member Chair of ESG Working Group	Nuveen
Japanese Stewardship Code	Signatory	Nuveen Asset Management Nuveen Japan Teachers Advisors TIAA CREF Winslow Capital Management
Leading Harvest	Founding Signatory	Nuveen Natural Capital
Principle for Investors in Inclusive Finance (PIIF)	Alumnus	TIAA-CREF
Principles for Responsible Investment Farmland Guidelines	Founding member and signatory Contributing Developer	TIAA
Renewable UK	Member	Glennmont Partners
Responsible Investment Association Australasia	Member Leaders Group 2023	Nuveen

ORGANISATION	ROLE	SIGNATORY ENTITY
Sustainability Accounting Standards Board (SASB)	Member Founding member of the Investor Advisory Group (IAG)	Nuveen
Task Force on Climate-related Financial Disclosures (TCFD)	Signatory	TIAA
The Conference Board	Member	Nuveen
The Impact Management Project	Collaborator, Efficient Impact Frontier Collaboration	Nuveen
The Real Estate Roundtable	Member Sustainability Policy Advisory Committee Member	Nuveen
The US Forum for Sustainable and Responsible Investment (USSIF)	Institutional Member	Nuveen
United Nation's Principles for Responsible Investment (PRI)	Drafting Signatory Stewardship Advisory Committee Member Sub-Sovereign ESG Integration working group	Nuveen
US Green Building Council	Gold Member	TIAA / Nuveen
World Economic Forum	Partner	TIAA / Nuveen
Willis Towers Watson Thinking Ahead Institute	Investing for tomorrow (IFT) working group	Nuveen

For more information, visit our website at nuveen.com

Contextual information on Principles 9 and 12

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.

Votes included from reporting period 1 July 2022 – 30 June 2023. This report reflects proxy voting for the College Retirement Equities Fund (CREF), TIAACREF 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 30 June 2023. As a result of the One Nuveen proxy initiative, effective 1 October 2022, the TIAA-CREF Fund Complex and Nuveen Asset Management, LLC follow the same voting processes and policies.

Important information on risk

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