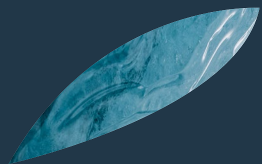
nuveen
A TIAA Company

Driving toward new frontiers

2021 – 2022 Annual Stewardship Report



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Purpose in action

Welcome to the Nuveen 2021 – 22 Stewardship Report. For more than 120 years, along with our parent company TIAA, we have helped millions of investors achieve long-term financial health.

Presenting Nuveen's 2022 Stewardship Report

We are pleased to introduce Nuveen's 2021 – 2022 Stewardship Report, outlining our efforts to engage investment issuers and vote in companies' annual meetings on behalf of our clients. In it, you will see our commitment to promoting value- and/or risk-focused management of critical environmental, social and governance (ESG) factors with portfolio companies, while advocating for consistent, clear and market-wide ESG reporting and standards. Developing a greater understanding of these factors is an important part of our investment process, and raising issues with portfolio companies about their implications is crucial to fulfilling our fiduciary responsibility to both safeguard and improve investment outcomes for our clients.

To be sure, the past year was marked by sweeping change and heightened global challenges, but it also offered fresh evidence of the depth of human adaptability.

As the world emerged from pandemic lockdowns, we've had to contend with supply chain disruptions, a "great resignation," record inflation, geopolitical turmoil and intensifying climate risks. The fact that we've seen growing regulation and political discord on ESG is, to us, a sign of progress. Markets grow when a necessity for greater consistency and clarity becomes evident, and in 2022 we saw new technology and innovative business approaches surface to address emerging realities, as well as systemic social and environmental issues such as financial inclusion and climate change.

Staying the course amid turbulence

Landmark policies and regulations were introduced to accelerate the transition to a low carbon world and add clarity to ESG investing and sustainable finance. At the same time, shareholders became more engaged than ever before on ESG issues: related shareholder proposals that we voted on increased by more than 25%, reflecting changes to SEC guidance and proponents dedicated to holding companies accountable for ESG issues.

Headlines about "ESG" abounded, some raising — others distorting — vital issues. The market grappled with the growing pains of evolving reporting expectations, conflicting regulation, new types of data and analysis, and emerging investment frontiers.

Yet, in the face of this shifting environment, we have remained true to our strongly held convictions:

- ESG data can be an important, financially material component of the investment process
- Monitoring our portfolios for ESG issues, actively engaging companies and setting expectations for best practice are all in the best interests of our clients
- Strong management of ESG issues can mitigate risks and create long-term, sustainable value

Our stewardship efforts demonstrate both these convictions and our long-standing commitment to helping participants and clients achieve lifelong financial well-being.

Driving toward new frontiers

With a maturing landscape has come a need for us to not only adapt to new market and regulatory realities, but to evolve and innovate to stay at the forefront of investment stewardship. Throughout the last year we have continued to enhance our engagement and proxy voting activities and sought to drive additional clarity and granularity in our reporting.

While last year we created a companion website to our stewardship report that discloses our proxy vote rationales for each shareholder proposal received by S&P 500 companies, this year we have expanded on that level of transparency, including rationales for votes against directors at those companies.

Explore more:
Our key proxy vote rationales

In order to create more structure and connectivity between our engagement and proxy voting we developed a three-year escalation strategy in 2020 that would give us a roadmap for pushing companies when they are not responsive to our engagement and significantly lag our ESG expectations. This has allowed us to more directly connect unaddressed environmental and social issues, not just governance concerns, to shareholder proposal and director voting. This year's report includes situations where escalation was deployed.

Beyond this, we developed a unique framework to organize the ESG information that our stewardship team is absorbing from companies and clearly communicate positive outcomes without overstating what they achieve. Our framework buckets key performance indicators (KPIs) based on the objectives they service: transparency, accountability or impact. For example, we recognize that a company newly publishing its climate risk and carbon footprint (transparency) or setting a net zero commitment (accountability) are important outcomes. However, those outcomes don't yet rise to the level of a company decarbonizing its business (impact). We have found that distinguishing metrics and results based on where they fall in this 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.

Stewardship is a powerful component of responsible investing and we appreciate the trust that investors and participants have placed in our efforts.

Jose Minaya
Chief Executive Officer, Nuveen

Amy O'Brien
Global Head of Responsible Investing, Nuveen

Our stewardship approach: Tracking the ESG journey

Serving our clients through a differentiated process ▸

"Responsible investing is a complex and maturing discipline. We have witnessed the growing pains that come with rapid expansion but also improved credibility and innovative solutions to address challenges. At Nuveen, the best interests of our clients remain at the forefront of our commitment to RI."

Amy O'Brien
Global Head of Responsible Investing, Nuveen

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

Using a combination of proxy voting and engagement with company management and boards of directors, we actively manage our investments to promote risk mitigation and long-term value creation using an ESG lens.

When it comes to effecting change and progress at each company or investee, we know that managing risks and opportunities is not a "one size fits all" exercise, nor is every issue material to every company. However, we also know that standardization, benchmarking and scale are important aspects of credibility and demonstrating progress. As such we combine deep, security specific ESG research, case-by-case voting and engagement with systematic processes and defined, proprietary evaluation frameworks and standards. This allows us to address the nuance and complexity of ESG, while also supporting scaled decision-making, a cohesive stewardship strategy and outcome reporting for our clients.

On a market-wide basis, we engage with regulators and policymakers and participate in ESG industry and standard-setting organizations to further a vision of practical, clear reporting standards and greater accountability and investor confidence when it comes to ESG and impact claims and information.

Serving our clients through a differentiated process

Setting clear expectations for companies

We define our expectations in the form of recognized market standards and key performance indicators (KPIs) which adds clarity to our conversations with portfolio companies and allows us to systematically track progress and report stewardship outcomes.

Setting a holistic stewardship strategy

We have set clear timelines for what we want our portfolio companies to achieve. We will also escalate issues when there is a lack of change or responsiveness to shareholders.

Collaborating with our investment teams

In addition to trainings and partnering with investment team members on portfolio company engagements, we maintain close communication with analysts on key vote decisions and share our ESG analysis and views.

Supporting our clients

Perhaps most importantly, we undertake these stewardship activities to serve our clients' financial best interests and use case-by-case proxy voting to address the nuance and complexity of proposal items that are highly pertinent to portfolio company business, governance and strategy.

Commitment to ESG

We earned a Morningstar ESG Commitment Level of "Advanced", the largest U.S.-based asset manager to achieve advanced or higher. We also received an A+ or A rating from UN PRI across all reported modules in the most recently available PRI grades.*

*2020 PRI grades, UN Principles for Responsible Investment, unpri.org.

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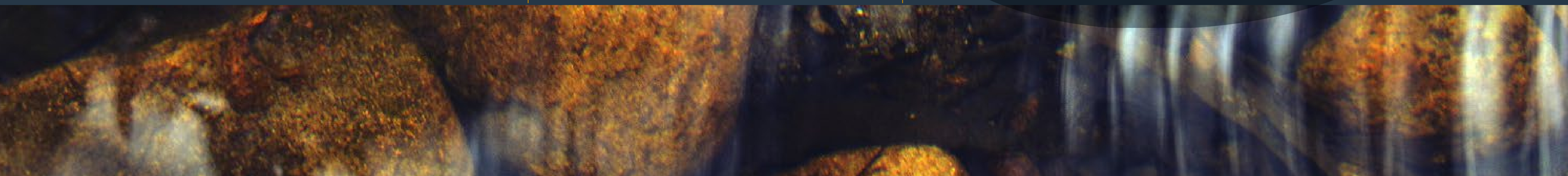
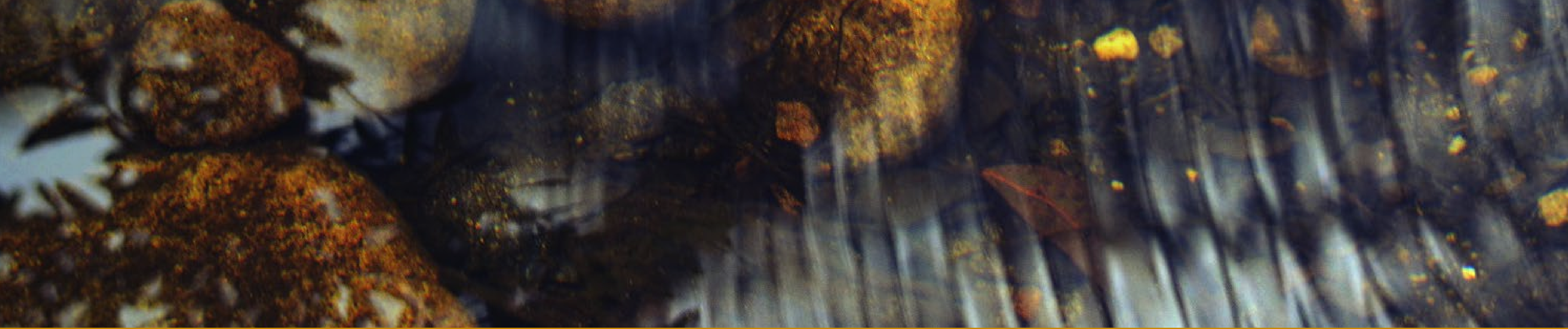
How we engaged

Our engagement with company boards and management ▸

Our engagement on emerging themes ▸

Our targeted initiatives and engagement outcomes ▸





Our engagement with company boards and management

The RI stewardship team has primary responsibility for the ESG focused engagement detailed in this report. Through engagement, which can take the form of in person meetings, calls or written communication with boards and management, we may seek:

1. A deeper understanding of **ESG risks or opportunities** which can inform investment or proxy voting decisions.

2. To clearly outline expectations and **encourage issuers to adopt ESG best practices** that support long-term value creation.

Ultimately, we champion substantive, meaningful engagement that adds value to our investment process and furthers the best interests of our clients.

Engagement by the numbers

From 2021 – 2022 we had 542 engagements across 429 companies and engaged 44% of our equity assets under management.[1]

The chart on the right reflects the range of issues that we discussed with companies over the last year.

1 All Nuveen equity AUM as of June 30, 2022. Excludes AUM in entities such as funds where exposure is not directly to a corporate issuer that can be engaged.

542 TOTAL ENGAGEMENTS

429 COMPANIES ENGAGED

% of engagements that addressed RI category

	% of engagements	Companies engaged
Environmental		
Climate Change	64%	178
Natural Resources	9%	40
Social		
Diversity, Equity & Inclusion	30%	117
Communities	14%	66
Product Responsibility	3%	13
Talent Management	11%	43
Customers	20%	93
Employee Health and Safety	2%	10
Governance		
Shareholder Rights	8%	33
Business Ethics, Transparency and Accountability	32%	137
Board Structure and Operation	6%	29
Executive Compensation	33%	127
Board Quality	11%	48

Percentages will not add to 100 as more than one issue category may be discussed.
Total number of companies across issues is greater than 429 as each company may be engaged on more than one issue.
Source: Nuveen, 01 July 2021 – 30 June 2022.

Our engagement on emerging themes

Natural resources

Customers

Community

The following case studies reflect engagement on emerging themes (those with the greatest uptick in our activity year over year) where we learned about compelling or innovative methods companies were using to address ESG risks or opportunities, or where we saw meaningful progress or outcomes.

Addressing water security issues

There is greater awareness now than ever before that in addition to being a systemic risk, water security is an essential business consideration with cross-industry financial materiality. One report calculates that freshwater available per person has dropped by a fifth over the course of two decades.[2] Meanwhile, water demand is projected to increase 25% by 2050.[3] In addition to being essential for socio-economic development, energy and food production and human health, water issues can exacerbate supply chain disruptions and are inextricably tied to climate change.

We have been proactively raising this issue in discussion with companies that have significant risk in terms of water withdrawal, discharge and impacts on fence-line communities. Directing companies to use CDP's water questionnaire for disclosure, we have also expressed a need to focus on geographies with high water stress and for water-intensive industries to set reduction goals.

2 A Wave of Change, CDP 2020

3 https://www.unwater.org/publications/world-water-development-report-2019

LAM RESEARCH CORPORATION
Semiconductors

Thirty-nine percent of Lam Research's total water usage occurs in areas of high water stress. From a 2019 baseline the company is targeting 17 million gallons (15%) of water savings for stressed regions by 2025.[4] New systems to treat water and reduce use are already driving progress toward this commitment. During engagement the company stated a belief that the consideration of water intensity and commitments across the value chain would become increasingly important. As such Lam has been focused on supplier ESG engagement and tracking against its own commitments.

3M
Industrial conglomerates

3M demonstrates leadership in water stewardship with both its plans to mitigate climate change and its plans to adapt to climate change, which includes a target to reduce water consumption by 20% by 2030.[5] Adaptation efforts are often seen as secondary to mitigation efforts, but they serve a critical role in reducing climate and water related financial risks. With projected supply and demand imbalances, the price for water is expected to rise. 3M has established a business strategy that will be more resilient under future water-scarce conditions. It is also investing $1 billion in water stewardship, including filtration and treatment systems, which in concert with the firm's reduction target will help to increase community access to clean water.

KIMBERLY CLARK
Household products

WaterLoupe is a unique platform developed by Kimberly Clark (KC) to facilitate engagement on company operations and impact to communities. The WaterLoupe Dashboard depicts water scarcity for entire watersheds, considering factors such as climate change and population growth over time. KC is now on a 2.0 version which incorporates modelling out water shortages and identifying intervention strategies. The company has set a goal to conduct 30 stakeholder engagements by 2030 in water stressed regions globally with an intent to improve freshwater access.[6]

4 https://www.lamresearch.com/wp-content/uploads/2021/08/Lam-Research-2020-ESG-Report.pdf

5 https://multimedia.3m.com/mws/media/21914320/2022-global-impact-report.pdf

6 https://www.kimberly-clark.com/-/media/kimberly/pdf/key-download-pdf/kc-2021-sustainability-report.pdf

CUSTOMERS

Reaching new customers through innovation

As the world contends with a host of environmental, social and economic issues, there has come a recognition that we all need to dramatically rethink the status quo. While claims of sustainability and impact warrant careful scrutiny, certain companies are not only leaning into these growth trends as business opportunities, but they are also improving how they measure, manage and report on sustainability-related objectives. We have seen an increasing number of products and services that tackle issues from climate change and materials efficiency to those that expand access to financing and resources for underserved communities.

In our discussions with companies we focus on how claims are verified through meaningful KPIs or independent standards, where sustainability or social outcomes fit into the broader business strategy and how companies ensure accountability.

BOOKING HOLDINGS

Hotels, restaurants & leisure

Booking is incentivizing sustainable accommodation through a first of its kind Travel Sustainable Badge Program. Finding that 73% of their customers preferred sustainable options, the company identified 32 attributes that underpin sustainability and socio-economic issues in tourism.[7] Key evaluation categories for providers include waste, energy use and GHG emissions, water use, support for local communities and protection of nature. Unique aspects of this program are that criteria are tailored to geographic context and allow for Booking's partners to achieve increased visibility and a potential competitive advantage through sustainable practices.

BANK OF AMERICA

Banks

Through direct consultation with consumer advocates, Bank of America (BAC) has established a borrowing alternative to replace predatory lending practices in the form of payday loans. The company's Balance Assist loan allows borrowers to access small short-term loans almost instantly with just one $5 fee and a maximum APR of 30%;[8] a payday loan, by comparison, typically has fees of $15 per $100 and an APR of up to 400%.[9] By providing liquidity to low-income borrowers, BAC is helping to "level the playing field" and promote financial inclusion for un- or under-banked individuals.

COMPAGNIE DE SAINT-GOBAIN

Building products

Recognizing a funding gap for sustainable construction, Saint-Gobain has taken advantage of the new work from home environment to push their sustainable housing strategy and grow their market footprint. Household renovation has increased dramatically, with living spaces being reimagined to accommodate new norms. The company sees this as an opportunity for consumers to not only transform spaces but to improve home energy efficiency — their analysis shows a potential for 70% reduction in energy costs through renovation.[10] With construction materials comprising 85% of the company's revenue, they have set a goal of reaching 75% sustainable sales by 2030.

7 https://www.sustainability.booking.com/booking-travel-sustainable
8 https://money.usnews.com/loans/personal-loans/reviews/bankofamericabalanceassist-personal
9 https://www.consumerfinance.gov/ask-cfpb/what-is-a-payday-loan-en-1567/
10 https://www.saint-gobain.com/sites/saint-gobain.com/files/media/document/SGRI _ 2021 _ ENG _ BAT.pdf

COMMUNITIES

Enhancing community engagement and partnership

We have found that many companies, particularly those in industries with high social and environmental risk, are strengthening their community engagement strategies to mitigate risks and ensure stronger, mutually beneficial relationships. Businesses have the potential to harm or help the communities in which they operate, while community stakeholders can have significant impact on corporate operations. Leadership on community engagement goes beyond meeting the bare minimum on regulatory standards. It instead relies on robust processes, meaningful tracking and evidence of solution building and business adaptation.

When our conversations are focused on the effect of business operations on communities, we try to establish how the company is creating accountability through oversight, defining and measuring success and institutionalizing stakeholder engagement.

NEXTERA ENERGY
Electric utilities

With its subsidiary companies NextEra is promoting clean energy solutions that significantly reduce GHG emissions and capture economies of scale. Florida Power & Light, the largest power utility in Florida and the principal subsidiary of the company, reached an agreement with the state's consumer advocate in August 2021 to accelerate investments in clean energy. These investments will directly support NextEra's "30-by-30" goal of installing 30 million solar panels in Florida by 2030, which is projected to be the largest solar buildout in the United States. Delivering clean, affordable energy to countless communities over its lifetime, the buildout is projected to save Floridians over $400 million.

ENDEAVOUR MINING
Metals & mining

Endeavour Mining relies on local communities for 95% of its employee base for operations in Africa. We found the company's engagement strategy and disclosure particularly useful in understanding its risk management. Grievances received and resolved are documented across mining locations and are publicly reported along with improvements in resolution timing.[11] Acknowledging mine expansion at various sites, the company discussed their resettlement strategies and the social and economic benefits that they seek to deliver, such as improvement in crop production yields and skills development. The fact that the company disclosed quantitative metrics such as increase in crop yields and number of people achieving literacy at specific sites lends credibility to their statements.

GILEAD SCIENCES
Biotechnology

Gilead is committed to clinical trial diversity and advancing health equity by addressing realities and challenges at the community level. The company supported the Sather Health Leadership Institute at Morehouse School of Medicine in the study of racial health inequities associated with COVID-19 and plans to use this data platform to create actionable, evidence-based solutions. Gilead's Compass Initiative, which is working to address the HIV/AIDS epidemic in the Southern United States, is a model for how this type of information and community engagement can help address stigma surrounding certain diseases, and structural and institutional barriers associated with care. In 2021 approximately 16.5 million people living with HIV received some form of treatment from the company, demonstrating how expanding healthcare access can generate benefits for Gilead and the customers and communities it services.[12]

11 https://www.endeavourmining.com/sites/endeavour-mining-v2/files/endeavour-mining/media/reports-and-fact-sheets/endeavour-sustainability-report-2020.pdf
12 https://www.gilead.com/news-and-press/annual-report

Driving outcomes through stewardship

Tracking ESG outcomes is an important aspect of our investment stewardship and demonstrating RI benefits to our clients. As such we have developed a formal framework to capture a range of possible results of our engagement and proxy voting activities. Recognizing the need to distinguish between progress and change that is related to transparency and accountability – which are important inputs in the management of ESG versus real world impact – we organize ESG information that we get from companies into three buckets and seek to track change over time.

Our escalation strategy

With targeted engagement initiatives, where we identify major themes, such as climate risk or diversity, equity & inclusion, KPIs and universes of companies to target, we institute a three-year escalation strategy. This 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.

Transparency

Consistent, material ESG disclosure that can inform investment analysis and decision making

Example: A company produces reporting aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) standard

Accountability

Policies, business strategies, commitments, oversight structures and other practices aimed at the intentional management of ESG issues

Example: A company sets a science-based, third party-assured net zero commitment

Impact

The measurable results of company policies and practices or products and services (it is important that impact be intentional rather than incidental)

Example: A company shows sustained carbon reduction as a result of a commitment or strategy

Reporting success

The chart shows outcomes that were part of our tactical relationship management and monitoring. This engagement is more ad hoc, in that we engage with boards and management on the most timely or immediately pertinent issues which includes discussions of the annual meeting and voting. This contrasts with our targeted engagement which is more scaled and strategic in nature. However, these engagements still offer us the opportunity to promote best practices and track change over time.

Tactical engagement outcomes by responsible investing policy issue*

	TRANSPARENCY	ACCOUNTABILITY	IMPACT
Environmental	**11**	**14**	**1**
Climate Change	10	14	1
Natural Resources	1	0	0
Social	**17**	**4**	**2**
Diversity and Inclusion	12	1	2
Communities	1	2	0
Product Responsibility	0	0	0
Talent Management	1	0	0
Customers	2	1	0
Employee Health and Safety	1	0	0
Governance	**11**	**9**	**0**
Shareholder Rights	1	3	0
Business Ethics, Transparency and Accountability	4	4	0
Board Structure & Operation	0	0	0
Executive Compensation	6	2	0
Board Quality	0	0	0
Total	**39**	**27**	**3**

*Any company may have more than one outcome associated with it across RI policy issues
Source: Nuveen, as of 30 September 2021

Targeted initiative outcomes

	Inception	Number of companies	Description	Transparency	Accountability	Impact	Success Rate
Climate risk 2.0		100					
Global	2022	100	We are raising expectations for companies with significant climate-related financial risk and that comprise the majority of our own portfolio carbon emissions. In addition to indicators set for Climate Risk 1.0, we expect more information, action and verification surrounding company risk management, incentive structures and business strategies related to a low carbon transition. The ultimate long-term objective is to see real decarbonization across this universe (impact).				Newly launched
Racial equity		100					
Global	2021	100	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.	19	40		59%
Climate risk		142					91%
Global	2020	72	We have asked companies to produce reporting that aligns with the Task Force on Climate-related Financial Disclosures (TCFD), the industry recognized standard, and to strengthen board and management oversight and accountability for climate risk. In addition, we are encouraging them to adopt science-based reduction targets that align with the Paris Agreement.	13	52		90%
Japan	2020	70		4	60		91%
Inclusive talent management		75					
U.S.	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.	31	43		99%

Source: Nuveen, as of 30 September 2022. The number of companies in a target universe may change slightly over time due to mergers & acquisitions, companies being taken private or Nuveen no longer investing.

Climate risk 2.0

As companies globally face a transition to a low carbon economy driven by policy, regulation and market forces, they must also contend with intensifying physical risks that come with a warming climate. While geopolitical turmoil has created near-term tailwinds for fossil fuels, long-term projections still show an overall decline in demand as renewables take market share.[13] Not only are countries reaffirming their commitments to net zero carbon emissions, the energy transition is also being framed as a national security issue, with renewable energy sources seen as long-term, domestic alternatives to reliance on foreign oil and gas.

13 https://www.mckinsey.com/industries/oil-and-gas/our-insights/global-energy-perspective-2022
14 https://www.pbs.org/newshour/science/what-the-inflation-reduction-act-does-for-green-energy
15 https://www.nature.com/articles/s41558-022-01356-y

One very recent example of regulatory action on climate came in the form of the Inflation Reduction Act. Passed in the U.S. during the second half of 2022, not only did the bill include provisions to make clean energy more affordable for consumers, it contains incentives to support domestic production of clean energy.[14] In an attempt to quantify this type of transition risk for investors, a 2022 academic study traced the equity risk ownership from 43,439 oil and gas production assets, performing scenario analysis to quantify profit losses from changing expectations. Ultimately, researchers determined that future lost profits from upstream oil and gas exceed $1 trillion under plausible climate policy, with major losses concentrated among investors in advanced economies.[15]

We rely on this type of research and analysis to inform our engagement with portfolio companies and the standards that we set as part of our targeted initiatives. Our Climate Risk 2.0 initiative builds on the foundation of transparency and accountability set out in Climate Risk 1.0, but zeroes in further on where Nuveen has the most exposure to climate risk in its public markets portfolio, raising the bar for high-emitting industries and companies with the most significant global carbon footprints.

●	Energy	27
●	Utilities	22
●	Industrials	15
●	Materials	14
●	Consumer Discretionary	12
●	Consumer Staples	6
●	Other	4

Source: Nuveen, FactSet and MSCI. Company target universe determined using Nuveen AUM and company EVIC data 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.

4

How we voted

Our approach to proxy voting

All companies hold annual shareholder meetings that give investors the opportunity to provide input and oversight. Investors are asked to vote on a ballot of resolutions or proposals put forth by both company management and shareholders. For each ballot item management may issue a voting recommendation as part of a proxy statement, typically seeking votes for any resolutions it has put forward.

We do not take a blanket approach to proxy voting. Rather, we evaluate both management and shareholder proposals on a case-by-case basis, according to what we believe is in the best interest of our clients. In making those decisions, we consider many factors, including input from our investment teams and comprehensive proprietary and third-party research.

Explore more:
Our annual Proxy Season Preview

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VOTING FOR A SHAREHOLDER PROPOSAL

Shareholder proposals give investors the opportunity to put forth a specific course of action or policy that they believe will benefit the company. Such proposals are often used to push companies toward improved management of ESG issues and to increase transparency and disclosure. Voting for a shareholder proposal signals that an investor believes existing management solutions or actions are inadequate and that the proposal is in the company's best interest.

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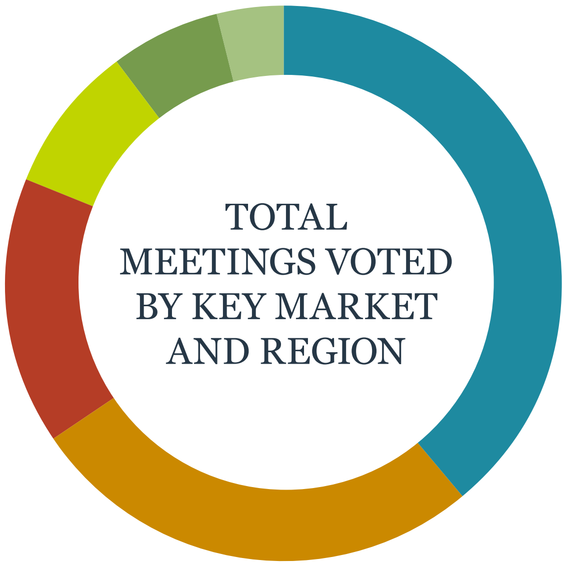
VOTING AGAINST MANAGEMENT

Voting against company management is an important tool for shareholders to express their dissatisfaction with how a company is executing its responsibilities to its shareholders and other key stakeholders. If a significant portion of shareholders vote against management, it is a signal that a company needs to act, or it may face growing negative investor sentiment.

Scope

TOTAL PROPOSALS VOTED	131,486	TOTAL EXEC. COMP. VOTES	12,035
TOTAL MEETINGS VOTED	13,272	TOTAL DIRECTOR VOTES	55,601



APAC (ex. Japan)	5,171
U.S.	3,562
EMEA (ex. U.K.)	2,058
Japan	1,148
Americas (ex. U.S.)	833
U.K.	500

Source: Nuveen, 1 July 2021 – 30 June 2022

Peter Reali
Global Head of Stewardship, Responsible Investing

"We are very proud of the level of nuance and sophistication we have brought to our proxy voting processes. From tapping stewardship analysts' industry expertise to make decisions, to systematizing the consideration of E&S factors in director voting, we seek to stay at the leading edge of investment stewardship."

Holding companies accountable

Specific considerations that shape our thinking in how we vote on resolutions or proposals involving boards of directors and executive compensation:

BOARDS

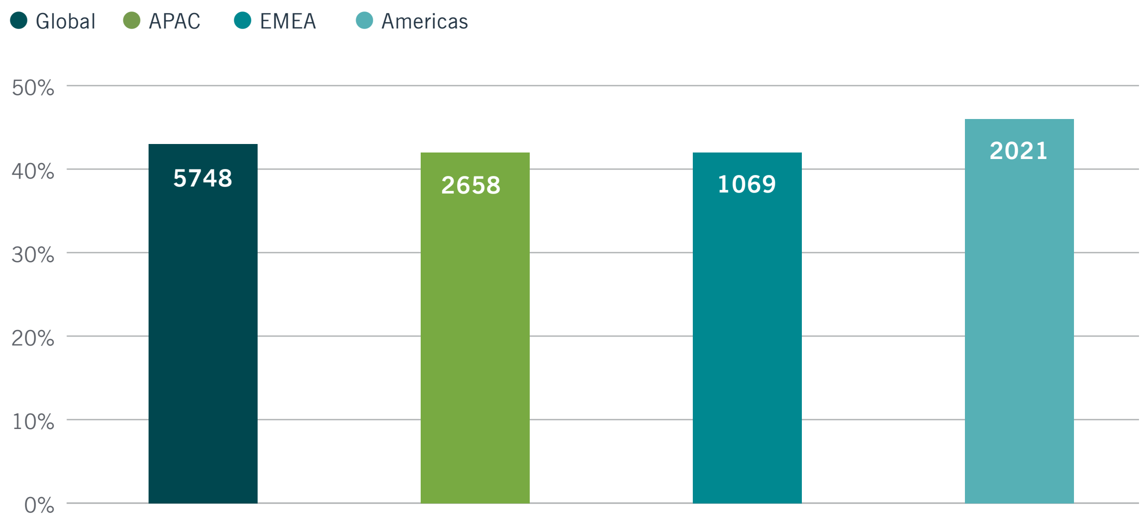
Investors rely primarily on a company's board of directors to fulfill its fiduciary duty to protect their assets and ensure they receive an appropriate return on investment. Boards are responsible for setting the ethical tone and culture for the company, assuring the corporation's financial integrity, developing compensation and succession planning policies, and ensuring management accountability.

EXECUTIVE COMPENSATION

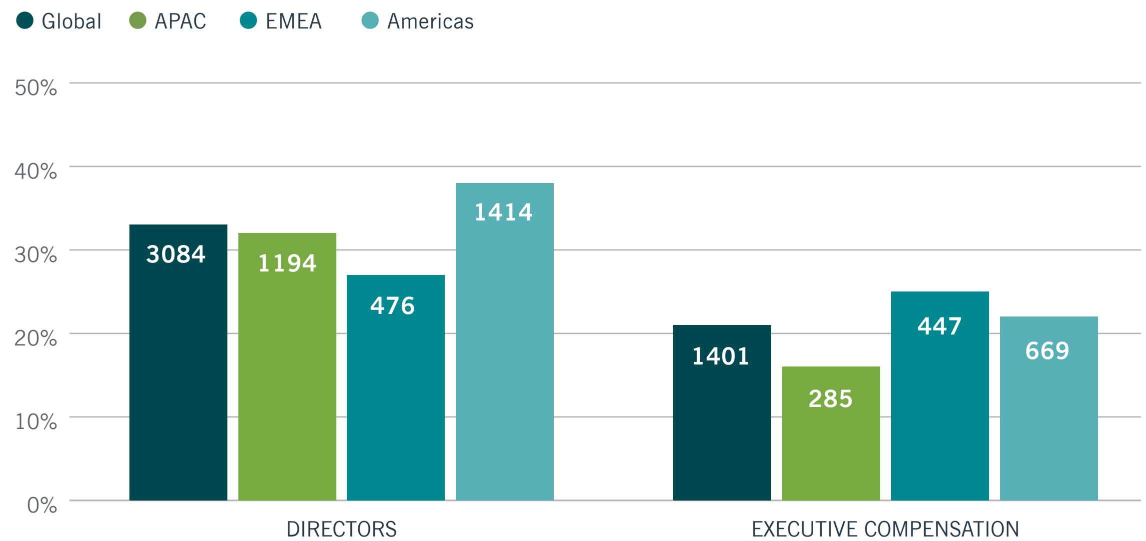
Companies should use executive compensation as a tool to drive and reward long-term, sustainable value creation while also attracting and retaining top talent. The details of compensation plans can be a window into a board's perspectives on the company's growth trajectory and the priorities it sets for management to achieve value.

Because boards of directors are best positioned to consider all the relevant factors, we expect boards to establish executive compensation programs that appropriately incentivize strong executive management. Company disclosure regarding compensation should clearly articulate the rationale for incentives created by the compensation program and how it aligns with a long-term strategy to mitigate compensation-related risks.

HOLDING COMPANIES ACCOUNTABLE: % MEETINGS WITH AT LEAST ONE VOTE AGAINST MANAGEMENT



HOLDING COMPANIES ACCOUNTABLE: % MEETINGS WITH VOTE AGAINST MANAGEMENT BY ISSUE TYPE



Source: Nuveen, 1 July 2020 – 30 June 2021

Our voting policy and results

BOARD DIVERSITY

Globally the Nuveen policy for board quality, specific to diversity, includes an expectation that the board include at least one female director. Across North America and Europe our minimum expectation is now two female directors. In addition we expect all boards of the S&P 500 to include at least one racially or ethnically diverse director.*

ESCALATION OF E&S ISSUES

With our targeted initiatives, we identify major E&S themes such as climate change or diversity and inclusion, and universes of companies for which those issues are particularly material. We then formalized a multi-year strategy that includes ongoing engagement and incorporates support for shareholder proposals and voting against boards of directors as means to escalate important issues and drive company responsiveness to shareholders.

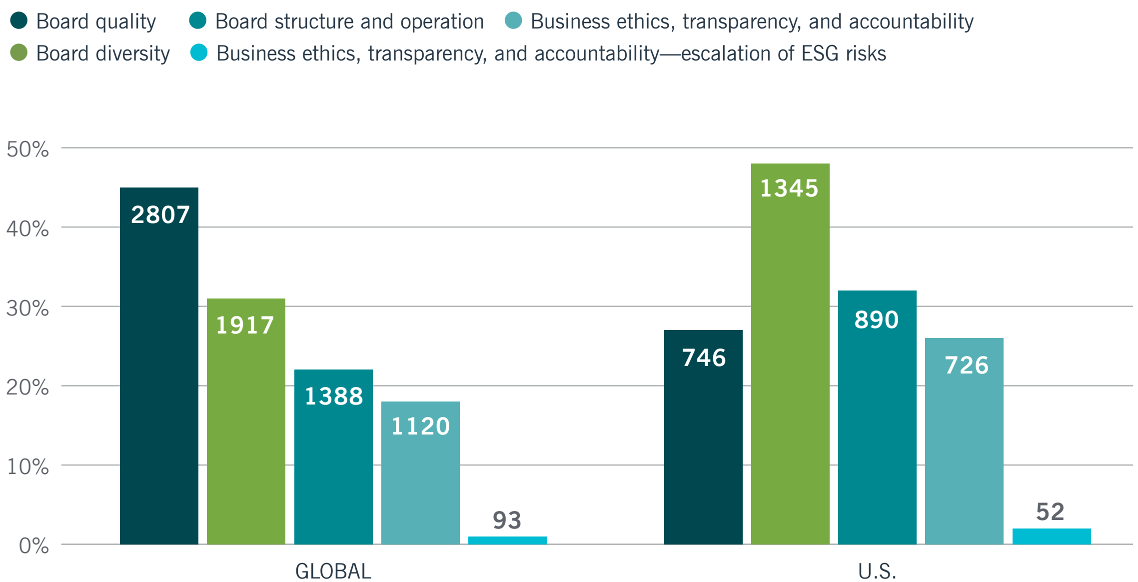
Using proprietary evaluation templates, company reporting and 3rd party research, we made the decision to vote against directors at 77 companies that failed to meet expectations laid out directly in engagement as part of our Climate Risk Initiative launched in 2020 and additionally, other large cap companies in the U.S. and Europe that were identified as having higher climate risk and meaningfully lagging their peer group. We also supported 10 climate related shareholder proposals as a part of initiative escalation.

Evaluations undertaken as part of our Inclusive Talent Management Initiative, which focuses on workforce DE&I, resulted in votes against directors at 6 companies and support for 12 DE&I related shareholder proposals.

The chart on the right shows a holistic picture of our targeted initiative universes broken down by progress, ongoing engagement or action taken as part of escalation.

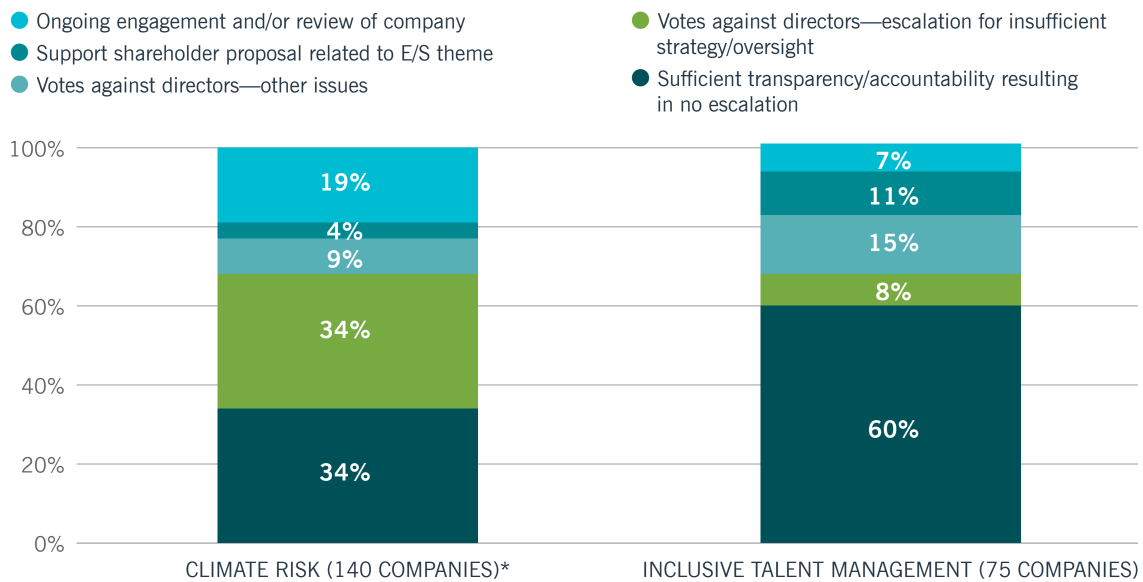
*Voting is subject to case-by-case review and consideration of extenuating circumstances.

RATIONALES FOR VOTING AGAINST DIRECTORS**



** % may not add to 100 as a vote against a particular director may be based on multiple factors. Source: Nuveen, 1 July 2021 – 30 June 2022.

ESCALATION OF E&S ISSUES: ACTIVITIES EXECUTED BASED ON COMPANY PROGRESS AND CONTEXT



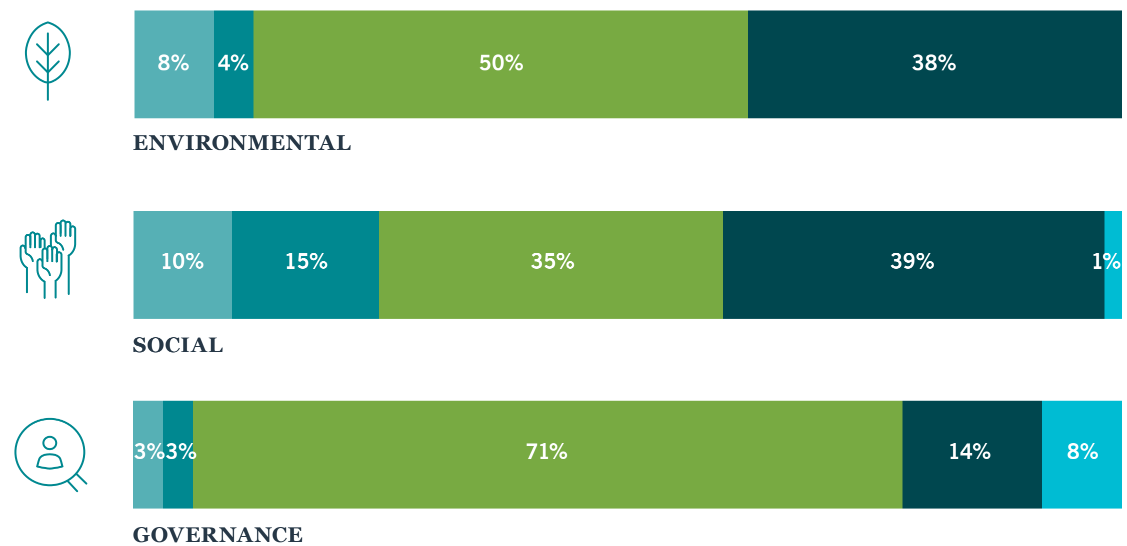
*Two companies were not considered for escalation. One due to significant business disruption, the other did not have an annual meeting during the period.

Shareholder proposal voting (U.S. only)

	NUBER OF PROPOSALS	PERCENT SUPPORT
Environmental		
Climate Change	50	56%
Natural Resources	11	64%
Social		
Diversity and Inclusion	49	63%
Communities	28	29%
Product Responsibility	23	30%
Customers	17	35%
Talent Management	20	20%
Employee Health and Safety	2	50%
Governance		
Shareholder Rights	164	25%
Business Ethics, Transparency and Accountability	111	32%
Board Structure & Operation	54	33%
Executive Compensation	28	29%
Board Quality	14	7%
Miscellaneous Issues	2	50%
Total	**573**	**34%**

RATIONALES BEHIND OUR VOTES AGAINST SHAREHOLDER PROPOSALS

- Too narrowly defined or is related to personal interest
- Lacks direct relevance to long-term risks/opportunities or does not align to long-term value creation
- Substantially implemented in terms of transparency and/or accountability expectations
- Not an appropriate means to address the issue due to company, industry and/or regulatory factors
- False/misleading intent



Case studies

Developing long-standing relationships with companies and establishing regular communication and methods for tracking progress are key to meaningful stewardship. To that end, the three case studies that follow demonstrate specifically how we have engaged portfolio companies on topics that affect long-term value and risk and how we think about and categorize outcomes.

Environmental ▸ Social ▸ Governance ▸

An environmental issue: BP

Overview/financial materiality: As companies globally face the reality of a transition to a low carbon economy driven by policy, regulation and market forces, they must also contend with intensifying physical risks that come with a warming climate. Oil and gas companies are particularly vulnerable to regulation that seeks to curb greenhouse gas (GHG) emissions and support energy transformation, shifts in consumer energy demand, disruptive technologies and extreme weather and chronic climate issues.

Engagement: We have had numerous engagements with oil and gas majors over the years to discuss these issues and to advocate for greater transparency and accountability. Many of the majors, including BP, became a part of our targeted Climate Risk Initiative launched in 2020. This initiative asked for improved, standardized disclosure in alignment with TCFD and for submission to CDP. It also asked companies to go beyond reporting to create accountability for climate risk mitigation, by establishing board oversight and science-based net zero commitments that extend to Scope 3 emissions, by far the largest portion of fossil fuel companies' carbon footprints. As part of engagement we have discussed concrete aspects of BP's strategy to become an integrated energy company, policy and regulatory pressures, its research and development and expected business model transformation centered around a low carbon economy.

Outcome (Accountability): Having met our transparency expectations during prior reporting, BP has now also demonstrated leadership in climate accountability in two particularly meaningful ways. It became a standout among its peers in setting targets for the Scope 3 emissions stemming from the use of its products, with an interim goal of reducing carbon intensity by 40% by 2030 and an ultimate goal of being net zero by 2050.[16] Additionally, the company officially disclosed its climate policy positions in 2022, coming out in support of critical decarbonization measures such as increased regulation, energy efficiency standards and carbon pricing.[17]

A social issue: The Walt Disney Company

Overview/financial materiality: Being in an industry characterized by intense competition for talent and consumers and one that comes with significant scrutiny and headline risk, DE&I considerations have been an important area of focus for media and entertainment companies such as Disney. Research on customer demographics and spending power indicates that minority buying power in the U.S. continues to grow significantly. Buying power for Black, Asian American and Native American consumers has risen from $458 billion in 1990 to $3 trillion in 2020.[18]

As a company that derives a significant amount of revenue from content in an increasingly crowded field, it is necessary for Disney to consider a full range of preferences and expectations from a diverse and highly engaged customer base.

Engagement: Disney is included in our DE&I initiative, Inclusive Talent Management, launched in 2020. That program emphasized human capital management reporting and addressing pay equity issues; however, it also gave us the opportunity to have more robust discussions with Disney on how diversity and inclusion extend beyond the company's workforce.

Disney emphasized that they are prioritizing diversity both on screen and in production and described their "six pillars" designed to create accountability for DE&I across the organization.

We pointed the company to a competitor that was leading on transparency in publicly disclosing a year over year comparison of women and people of color on air and behind the camera across various media platforms. We viewed the use of such clear KPIs as an important method for measuring the success of company DE&I initiatives and connecting those objectives more concretely to a business case centered on viewership and the subscriber base.

Outcome: (Transparency): In its most recent ESG report Disney included a similar data table that built on the framework we had proposed but also included differentiated groupings based on the company's unique business strategy.

Disney split content and demographics into two segments: News & Sports and Scripted & Film, with the Scripted & Film KPIs broken out by "Directors, Producers and Writers" and "Series Regulars/Leads." This creates a more nuanced understanding of the company's representation not just across broad categories of media but at influential career levels. As an investor, reporting such as this from media and entertainment companies allows us to compare peers and assess how DE&I plays a role in business strategy and competitiveness.

A governance issue: PDC Energy

Overview/financial materiality: Public boards are often largely white and male. While there has been improvement in recent years resulting from stakeholder pressure and shareholder voting policies, many boards remain relatively homogenous. Boards at companies within the Russell 3000, representing 97% of investable stocks, are made up of only 27% women. Only 12% of the companies in the index have boards that are more than 40% female, and only 7% of board chairs are women. Yet there are compelling business reasons to improve board gender diversity. A number of studies indicate that promoting diverse thought, particularly through the addition of female directors, can reduce excessive risk-taking and support better investment decisions.[19] Additionally, female directors tend to be more aware of ESG issues; some analysis suggests that sustained gender diversity on a board is connected to reduced carbon emissions in some sectors, including Energy.[20] As women continue to make up a growing majority of college graduates, companies have a business imperative to cultivate and promote opportunities for diverse talent.

Engagement: In 2021 PDC Energy's seven-person board had only one female director making it just 14% female. In accordance with our voting policy on board gender diversity which requires U.S. boards to have at least two female directors, we voted against members of PDC's Nominating and Governance committee in 2021. Following our vote, we engaged the board to explain our point of view, stressing the numerous benefits of board diversity, and discussed the company's plans for board refreshment. The board indicated that their search for new directors would prioritize the issue.

Outcome: (Impact): Prior to the 2022 annual meeting the company added a second female director to the board. Not only did this director improve board gender diversity, she also filled a critical need that the board had previously identified which was a lack of ESG expertise. This new director brought a distinguished background in human capital management and community organization. In addition, the two female directors on the board—both added since 2021—account for two of the three directors on the board with technology/innovation experience. A focus on technology and its potential application to the energy industry, from improving efficiency to lowering the carbon footprint, was a significant motivator of the proxy contest levied against Exxon Mobil at their 2021 annual meeting.

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Sustainability reports by asset class

Farmland sustainability report

Timberland sustainability report

Agribusiness sustainability report

Clean energy ESG report

Natural capital sustainability report

Global fixed income impact report

Private markets impact report

Real estate ESG report

Conclusion

In the coming year, we expect Responsible Investing and therefore our stewardship activities to continue to evolve and expand in response to client needs and a quickly changing financial and regulatory landscape. We have found that over the last few years, the power and importance of engagement and proxy voting are being increasingly recognized, particularly as concerns arise around divestment and its unintended consequences. However, in touting the importance of “a seat at the table,” we believe it is essential to clearly demonstrate how stewardship activities add value to our investment processes and how they can lead to real change, company by company and across the market.

We will continue to push companies that are part of our targeted initiatives on climate risk, DE&I and racial equity and bi-annually track their progress against KPIs – not only to inform our voting but to provide reporting to our clients and other stakeholders. We will continue to develop deeper expertise and add structure to our engagement on emerging themes such as water resource use, biodiversity, customer and community relations and cybersecurity, among others. We will build on the strong foundation of partnership with our investment teams to scale engagement across specific portfolios, enhance standards and activity tracking, and deploy investment-relevant stewardship information when and where it can be most useful. We look forward to the challenges and opportunities that 2023 will undoubtedly bring, keeping our fiduciary duty at the forefront of our commitment to Responsible Investing.

Additional endnotes

16 https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-sustainability-report-2021.pdf
17 https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-climate-policy-positions.pdf
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https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters
20 https://corpgov.law.harvard.edu/2018/10/10/director-skills-diversity-of-thought-and-experience-in-the-boardroom/

For more information, please visit us at nuveen.com

This report reflects proxy voting for the College Retirement Equities Fund ("CREF"), TIAA-CREF Funds, TIAA-CREF Life Funds and TIAA Separate Account VA-1 (collectively "TIAA-CREF Fund Complex") and the General Account of Teachers Insurance and Annuity Association of America ("TIAA"), which comprise 84% of Nuveen, LLC equity assets under management as of December, 31 2021. Other Nuveen investment specialists, including Nuveen Asset Management, LLC, NWQ Investment Management, LLC, Santa Barbara Asset Management, LLC, and Winslow Capital Management, LLC, have their own voting processes and policies. Those votes represent the distinct views of these specialists and may or may not align with those of the TIAA-CREF Fund Complex and TIAA.

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.

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