




The image shows two overlapping forms from the PRI LEA (Leadership Engagement) toolkit. The top form is LEA 02, titled 'Discretionary', and the bottom form is LEA 03, titled 'Mandatory'. Both forms are designed for recording engagement activities and are structured with columns for 'Type of engagement', 'Reason for interaction', and 'Outcome'. The 'Reason for interaction' column includes checkboxes for various engagement goals, such as 'To support investment decision-making in a company's transition to a low-carbon economy' and 'To encourage corporate action on climate change'. The 'Outcome' column is for recording the results of the engagement.

# RI TRANSPARENCY REPORT

2013/14

TIAA - CREF



UNEP Finance Initiative  
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⌛	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	-	n/a							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	-	n/a	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	-	n/a	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Public	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Public							✓
PR 04	Description of approach to RI	✓	Public	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 07	Formal commitments to RI	✓	Private				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Private	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	🔒	n/a		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	🔒	n/a		✓					
PR 20	Proportion of assets engaged with on community issues	🔒	n/a		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	

Direct - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFD 01	Mission and investment objective	✓	Public								✓
IFD 02	Governance, management structures and processes	-	n/a								✓
IFD 03	Social targets	-	n/a								✓
IFD 04	Percentage in equity, debt and guarantees	✓	Private								✓
IFD 05	Percentage in microfinance and/or SME finance	✓	Private								✓
IFD 06	Geographical spread of microfinance investments	🔒	n/a								✓
IFD 07	Tracking microfinance investees portfolio	🔒	n/a	✓							
IFD 08	Support financial services beyond credit, compulsory savings and/or compulsory insurance	🔒	n/a	✓							
IFD 09	Support the introduction of services tailored to the 'poor', 'very poor' and 'low income'	-	n/a	✓							
IFD 10	Technical assistance to investees	-	n/a	✓							
IFD 11	Public endorsement of the Client Protection Principles	🔒	n/a		✓						
IFD 12	Provide training and assistance for investees implementing the Client Protection Principles	🔒	n/a		✓						
IFD 13	Include the Client Protection Principles in investment policies	🔒	n/a		✓						
IFD 14	Investment in local currency	🔒	n/a			✓					
IFD 15	Average maturity of debt investments	🔒	n/a			✓					
IFD 16	Average holding period of equity investments	✓	Public			✓					
IFD 17	Terms and conditions	✓	Public			✓					
IFD 18	Tools for social performance reporting	✓	Public				✓				
IFD 19	Retail institutions have independent financial/social rating and/or social audit	✓	Public				✓				
IFD 20	Due diligence on and monitoring and reporting of corporate governance among investees	✓	Public				✓				
IFD 21	Training or assistance for investees on corporate governance	-	n/a				✓				
IFD 22	Percentage of investees where board seats are held	-	n/a				✓				
IFD 23	Procedure to integrate environmental issues in investment decision processes	✓	Public				✓				
IFD 24	Anti-corruption and whistle-blowing policies	✓	Private				✓				
IFD 25	How mission and investment objectives are communicated to stakeholders	✓	Private					✓			
IFD 26	Investors and/or the public provided with information aligned with industry standards	✓	Public					✓			
IFD 27	Transparency of pricing, terms and conditions among investees	✓	Public					✓			
IFD 28	How social performance of investees affects decision making and portfolio management	✓	Public						✓		
IFD 29	Staff incentives linked to social performance measures	✓	Private						✓		
IFD 30	Collecting data regarding social outcomes of investees work	-	n/a						✓		



IFD 31	Incentivise investees to track social performance	✓	Private							✓	
IFD 32	Collaborative initiatives your organisation has supported or participated in	✓	Public							✓	
IFD 33	Encouraging investees to participate in collaborative initiatives	✓	Private							✓	
IFD 34	Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks	✓	Private							✓	

Indirect - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFI 01	Percentage of externally managed assets in inclusive finance managed by PIIF signatories	✓	Private								✓
IFI 02	Due diligence policies and/or procedures for the selection of external investment managers	✓	Public								✓
IFI 03	Including issues referred to in the PIIF	✓	Public								✓
IFI 04	Monitoring managers' implementation of the PIIF	✓	Public								✓
IFI 05	Managers provide information in line with established industry standards	✓	Private								✓
IFI 06	Disclosure of approach to RI in inclusive finance	✓	Public								✓
IFI 07	Contributing to promotion of RI in inclusive finance	✓	Private								✓



# TIAA - CREF

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

☐ <10%

☐ 10-50%

☒ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☐ Execution and advisory only services

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

☐ 1

☒ 2-5

☐ 6-10

☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

8000

OO 02.4 Additional information. [Optional]

TIAA-CREF employs more than 8,000 employees in more than 90 local offices. Within TIAA-CREF, the Asset Management organization consists of more than 300 investment management professionals, including 120 portfolio managers with an average of 17 years of investment experience and 10 years with TIAA-CREF.

OO 03	Mandatory	Descriptive	General
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**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes  
☒ No

**OO 04** **Mandatory** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2** Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		564	000	000	000
Currency	USD				
Assets in USD		564	000	000	000

**OO 04.3** Indicate the level of detail you would like to provide about your asset class mix.

- ☐ Approximate percentage breakdown to the nearest 5% (e.g. 45%)  
☒ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06** **Mandatory** **Descriptive** **General**

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income – corporate	10-50%	0
Fixed income – government	<10%	0
Fixed income – other	10-50%	0
Private debt	<10%	0
Private equity	<10%	0
Property	<10%	0

Infrastructure	<10%	0
Commodities	0	0
Hedge funds	0	0
Forestry	<10%	0
Farmland	<10%	0
Inclusive finance	<10%	<10%
Cash	<10%	0
Other (1), specify	<10%	0
Other (2), specify	0	0

	'Other (1)' specified
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Assets held in wholly-owned subsidiaries and derivatives.

☐ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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**OO 09.1**

Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

TIAA-CREF is an institutional investor whose mission is to help those in the academic, medical, cultural, research and government fields plan to and through retirement. We do this with a full array of financial products and services to help our participants and shareholders achieve lifetime financial security. Our clients expect us to be stewards of their savings and to help provide for their financial security. Today, TIAA-CREF is a Fortune 100 financial services organization and a leading private provider of retirement benefits nationwide, serving 3.9 million active and retired participants from approximately 15,000 plan sponsor clients.

The parent organization, Teachers Insurance and Annuity Association of America (TIAA), was founded in 1918 by the Carnegie Foundation for the Advancement of Teaching to help meet the financial needs of individuals and institutions in the academic, research, medical and cultural fields. TIAA, a stock life insurance company, is a wholly owned subsidiary of TIAA Board of Overseers, a New York not-for-profit corporation. By the terms of its charter, TIAA exists to help meet the financial needs of the individuals and institutions it serves on the best terms practicable, all without profit to the corporation (TIAA) and its stockholder (TIAA Board of Overseers). TIAA is one of only three insurance groups in the United States to hold the highest ratings currently awarded from all four leading independent insurance industry ratings agencies. (Standard & Poor's; Fitch Ratings; Moody's Investors Service; A.M. Best Company).

A companion organization is the College Retirement Equities Fund (CREF), founded in 1952. Together, TIAA and CREF and their affiliates form TIAA-CREF (the Organization) and provide a key retirement system for the higher education and research communities in the United States.

Within the TIAA-CREF organization, all investment advice and portfolio management services are housed under TIAA-CREF Asset Management, Inc., a holding company wholly owned by TIAA. TIAA-CREF Asset Management is responsible for portfolio management of approximately \$564 billion in total assets as of December 31, 2013 (both active and quantitative strategies), and research and trading within the derivatives, equity, fixed income and real estate markets. The division is focused on delivering tailored investment solutions to its client segment. Our aim is to provide consistent, positive risk-adjusted performance that meets clients' long-term investment objectives. Our investment philosophy is grounded in our heritage of nonprofit values and reflects a sustained commitment to put our clients' interests first and foremost. TIAA-CREF currently serves 4.8 million individuals (3.9 million clients in institutional retirement plans).

For more than 40 years, TIAA-CREF has addressed social-responsibility issues through our investment activities-from product safety and shareholder rights to the safeguarding of the environment. We exercise our right to monitor and engage with the management of our portfolio companies on matters concerning shareholders' long-term interests and the good of the market as a whole.

## Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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<b>OO 10.1</b>	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

<b>OO 11</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 11.1</b>	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Fixed Income – other
- ☐ Private debt
- ☒ Private equity
- ☒ Property
- ☐ Infrastructure
- ☒ Forestry
- ☒ Farmland
- ☒ Inclusive finance
- ☐ Cash
- ☐ Other (1)
- ☐ None of the above

	'Other (1)' [as defined in OO 05]
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Assets held in wholly-owned subsidiaries and derivatives.

<b>OO 11.2</b>	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.
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- ☒ Inclusive finance
- ☐ None of the above

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 12.1</b>	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.
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**Core modules**

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☐ Fixed Income - Corporate
- ☐ Fixed Income - Government

Direct - Other asset classes with dedicated modules

- ☐ Private Equity
- ☒ Property
- ☒ Inclusive Finance

**RI implementation via external managers**

- ☒ Inclusive Finance

**Closing module**

- ☒ Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.



# TIAA - CREF

## Reported Information

## Public version

## Overarching Approach

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

☐ Yes

☒ No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

☒ Yes

☐ No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

TIAA-CREF has a longstanding history of addressing the role that environmental, social and governance (ESG) criteria play in investment analyses, due diligence and the on-going monitoring of our portfolios. Our responsible investment commitment is a multifaceted effort and involves the following key approaches: applying Environmental, Social, and Governance (ESG) criteria to investment decisions, engaging with our portfolio companies, promoting transparency and accountability, and developing and advancing responsible investment practices. We pursue opportunities across asset classes-from equities and bonds to real estate-that provide competitive risk-adjusted returns for our clients to help them achieve their financial objectives. For us, investing responsibly on behalf of those who entrust us with this task means: considering ESG criteria in our investment decisions; weighing the ESG risks and opportunities associated with our investment strategies; and favoring opportunities to leverage our particular strengths and spheres of influence in order to effect meaningful change.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

☒ Yes

☐ Yes, all

☒ Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

<b>Policy or document name</b>	<b>URL</b>
2013 Responsible Investing Report	<a href="https://www.tiaa-cref.org/public/pdf/C11409_2013%20Responsible%20Investing%20Report.pdf">https://www.tiaa-cref.org/public/pdf/C11409_2013%20Responsible%20Investing%20Report.pdf</a>
Policy Statement on Corporate Governance	<a href="http://www.tiaa-cref.org/pubs/pdf/governance_policy.pdf">http://www.tiaa-cref.org/pubs/pdf/governance_policy.pdf</a>
Farm Land Principles	<a href="http://d2m27378y09r06.cloudfront.net/viewer/?file=wp-content/uploads/Farmland_Principles.pdf">http://d2m27378y09r06.cloudfront.net/viewer/?file=wp-content/uploads/Farmland_Principles.pdf</a>
Social Choice Prospectus	<a href="http://www1.tiaa-cref.org/public/prospectuses/cref_prospectus.pdf">http://www1.tiaa-cref.org/public/prospectuses/cref_prospectus.pdf</a>
Community Development Investment Policy Statement	<a href="https://interactive.web.insurance.ca.gov/coinweb/investmentPoliciesPDF.jsp?id=69345&amp;companyName=Teachers%20Ins%20and%20Annuity%20Association%20of%20America&amp;companyId=9000005803">https://interactive.web.insurance.ca.gov/coinweb/investmentPoliciesPDF.jsp?id=69345&amp;companyName=Teachers%20Ins%20and%20Annuity%20Association%20of%20America&amp;companyId=9000005803</a>
TIAA-CREF CGS RC Committee Charter	<a href="http://www.tiaa-cref.org/public/about-us/leadership-governance/committee-charters/cg_social_responsibility.htmltee-charters/social_responsibility_committee.html">http://www.tiaa-cref.org/public/about-us/leadership-governance/committee-charters/cg_social_responsibility.htmltee-charters/social_responsibility_committee.html</a>

☐ No

As signatories to the PRI, TIAA-CREF has made a firm-wide commitment to broaden the scope of strategies and investment areas that include the integration of ESG information. Approaches for integrating ESG varies across asset classes and strategies, as do the specific policies and levels of disclosure.

In addition to our publically available policies, TIAA-CREF has a number of internal policy documents and guidelines related to the incorporation and oversight of ESG in investment decisions. Policies integral to proprietary strategies have not been publically disclosed. These include policies related to considerations of ESG within: our real asset investments (in timberland, agriculture, infrastructure and energy); real estate investments including how property investments are selected, managed, and developed with regard to sustainability criteria; the selection and monitoring of investments for the TIAA General Account Social Impact Investment Portfolio; and internally developed ESG guidelines for the selection of fixed income investment projects along defined investment themes.

**Real Assets:** TIAA holds equity investments in certain real assets such as timberland, agricultural, infrastructure, and energy properties. An internal Macro policy addresses the operating and reputational risks associated with those investments, and is designed to ensure that those risks are identified, assessed, mitigated and monitored..

In addition, TIAA has sector-specific policies for certain assets (Agricultural Farmland, Energy, Infrastructure, and Timberland). The policies specify the sources of operating and reputational risks associated with investments in the respective sectors and the oversight activities designed to assess and mitigate risks. Where TIAA has signed onto sustainability principles or statements for an individual asset class, the policy reflects that commitment, binding internal stakeholders to adhere to its letter and spirit.

**Real Estate:** As part of good property management governance, TIAA-CREF has internal policies and procedures related to property management that include considerations of sustainability such as energy use, water conservation, and waste reduction.

**General Account Social Impact Investment Portfolio:** The General Account Social Investment Program is a commitment our company has to directing capital towards high-quality investment opportunities that create measurable social outcomes. Our goal is to invest capital into areas facing "capital gaps" which have not yet been adopted by mainstream investors. The Social Investment Program targets approximately \$100 million of new commitments each year, and has internal guidelines that direct the selection of projects focusing on three areas serving low-to-moderate income populations:

- Affordable Housing: Quality, safe and affordable rental or for-sale housing provided to low-to-moderate income communities
- Inclusive Finance: Quality, fair, transparent and affordable financial services offered to traditionally underserved populations and to small- to mid-sized enterprises globally
- Community and Economic Development: Projects and initiatives that give enhanced access to essential services like child care, education, healthcare, and environmental improvements to low- to moderate-income communities globally

**Social Choice Fund family:** In addition to its prospectus, the Social Choice Funds have additional guideline documents that outline its investment philosophy and process.

**Proactive Social Investment Framework** (leveraged within the fixed income strategies of Social Choice): The PSI Framework sets internal guidelines for identifying and classifying fixed income investment opportunities along four thematic areas according to ESG criteria:

- Affordable Housing: investments that support the financing of low- and moderate-income

housing loans, transit-oriented development, walkable communities, or mixed-use development projects

- Community and Economic Development: investments that support financial services, hospital/medical services, educational services, community centers, urban revitalization, humanitarian, disaster, and international aid services, inclusive of underserved and/or economically disadvantaged communities
- Renewable Energy and Climate Change: securities that finance new or expand existing renewable energy projects (including hydroelectric, solar and wind, geothermal, and energy from waste), projects designed to make power generation and transmission systems more efficient, and other energy efficiency projects that result in a reduction of greenhouse gas emissions
- Natural Resources: investments that support land conservation, sustainable forestry and agriculture, remediation and redevelopment of polluted or contaminated sites, sustainable waste management projects, water infrastructure (including improvements of clean drinking water supplies and/or sewer systems) and sustainable buildings.

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
---------	--

Select all that apply

Policy components/types	Coverage by AUM
<input type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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- ☒ Yes  
☐ No

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
---------	--

☒ Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
---------	--

- ☒ At least once per year
- ☐ Less than once per year

OA 05.3	Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.
---------	---

- ☐ Quarterly
- ☐ Biannually
- ☒ Annually
- ☐ Every two years or less
- ☐ It is not reviewed
- ☐ No

## Governance and human resources

OA 07	Voluntary	Descriptive	General
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Governance, management, and oversight of responsible investment activities at TIAA-CREF is undertaken across a number of teams, reflecting the networked approach and partnership model to integrating ESG across asset classes and strategies.

**TIAA-CREF's Global Social and Community Investing Department (GS&CI)** provides strategic leadership to Asset Management on the implementation of TIAA-CREF's responsible investing (RI) commitments.

In addition, the GS&CI team is directly responsible for managing the development, enhancement, and oversight of the ESG criteria used to establish the investment universes for TIAA-CREF's socially responsible investment products (the Social Choice Fund family) as well as determining the social investment strategy, including the relevant ESG metrics for investment selection and on-going monitoring, for the TIAA General Account Social Impact Investment Program. The GS&CI team reports on its activities to the TIAA and TIAA-CREF's Funds Corporate Governance and Social Responsibility Committees and the TIAA Investment Committee.

**TIAA-CREF's Corporate Governance Group** exercises TIAA-CREF's rights and responsibilities as an equity investor in publicly traded companies by diligently voting proxies; engaging with companies on issues that may pose economic risk or impact long-term shareholder value, including shareholder rights, governance practice, and social and environmental issues; and providing thought leadership in the public debate on corporate governance issues in domestic and international markets.

**TIAA and TIAA-CREF's Funds Corporate Governance and Social Responsibility Committees (CGSRC)** have oversight of the Corporate Governance Program. The Committees establish policies and guidelines for the voting of proxies held by the Funds as well as other relevant activities of management, including the submission of shareholder resolutions and communications with portfolio companies.

In addition, the Committees annually review the ESG criteria and approach used within the CREF Social Choice investment suite (the Social Choice Account, Social Choice Equity Fund, Social Choice Bond Fund) and similarly managed accounts (including other viable options and best practices available in the market), and approve the ESG research vendors for that service.

**TIAA Investment Committee (IC)** establishes the company's investment policy and oversees its investments and the investment activity of other accounts and funds held for the benefit of the company in addition to overseeing the Asset Management business. The IC oversees the invested assets of the TIAA General Account and approves the asset allocation ranges of the General Account investment program, which includes the General Account Social Investment Program.

**TIAA Investment Management Committee (IMC)** members include senior representatives from Asset Management, Finance & Actuarial, Risk Management and Asset Management Law. The Committee's responsibilities extend to TIAA and its investment subsidiaries. The Committee accomplishes its purposes by, among other things, establishing and evaluating investment policies, evaluating and authorizing investments and delegating appropriate investment authority to the business units.

**The Real Asset Operating Oversight Committee (RAOOC)** is a cross functional oversight body representing Law, Compliance, Risk, Investment Management, Operations and Finance with responsibility for reviewing operating risks and mitigating controls associated with the real assets portfolio. The Committee receives reports that include results of monitoring against policy requirements, including voluntary ESG standards and principles that the firm has signed



onto. On an annual basis, each sector team conducts a formal review for the Committee that addresses operating and reputational risks of the portfolio assets, some of which relate to responsible investment practices. For each portfolio entity in the scope of the governance policies, sector teams track the inherent risk rating, mitigation strategy and residual risk in Scorecards that include ESG factors, such as Environmental, Workplace Safety, Labor Relations, Anti-Bribery/Corruption, and Reputational Risk.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.		

## Roles present in your organisation

- ☒ Board members or trustees
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

## Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

☒ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

☒ Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period  
(see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

☐ Association for Sustainable & Responsible Investment in Asia

☐ Australian Council of Superannuation Investors

☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period  
(see definitions)

- ☒ Basic  
☐ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's  
involvement in the initiative. [Optional]

We are a signatory to the CDP Climate Change initiative.

☐ CDP Forests

☐ CDP Water

☐ CFA Institute Centre for Financial Market Integrity

☒ Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period  
(see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's  
involvement in the initiative. [Optional]

We are a member of the CII Advisory Council

☐ Eumedion

☐ Extractive Industries Transparency Initiative (EITI)

☒ Global Investors Governance Network (GIGN)

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

☒ Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

We contributed to the GRESB survey (TIAA-CREF submitted funds with total assets in excess of \$2B for GRESB survey)

- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☒ Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

We are a Board Member

- ☒ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We sit on the ICGN board

- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☒ Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We participate in conferences and submit data/information in support of INCR research projects

- ☐ Local Authority Pension Fund Forum
- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We have been a signatory to the PRI since 2009. Additionally, we are signatories to the Principles for Investors in Inclusive Finance (PIIF), which is housed within the PRI initiative, and we serve on PIIF's steering committee to advance the integrity of microfinance in such areas as client protection and pricing transparency. We are a signatory to the Principles in Responsible Farmland and member of the steering committee which developed the Principles.

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

US SIF

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

We have been an Institutional Member since 2006.

- ☐ Shareholder Association for Research and Education (Share)  
☐ United Nations Environmental Program Finance Initiative (UNEP FI)  
☒ United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☒ Basic  
☐ Moderate  
☐ Advanced  
☒ Other collaborative organisation/initiative, specify

Investment Leaders Group (ILG)

Your organisation's role in the initiative during the reporting year (see definitions)
--

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

We are an Institutional member of the investment leaders working group, formed in 2013, whose mission is to seek to shift the investment chain towards responsible, long-term value creation, such that economic, social and environmental sustainability are delivered as an outcome of the investment management process alongside robust, long-term investment returns.

- ☒ Other collaborative organisation/initiative, specify  
 Global Initiative for Sustainability Ratings (GISR)

Your organisation's role in the initiative during the reporting year (see definitions)
--

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

We are a Founding Partner and Steering Committee member of the GISR,

☒ Other collaborative organisation/initiative, specify

Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting year (see definitions)
--

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

We have been Investor Council members since 2000 and contributors to white papers and presentations.

☒ Other collaborative organisation/initiative, specify

Real Estate Roundtable - Sustainability Policy Advisory Committee

Your organisation's role in the initiative during the reporting year (see definitions)
--

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

We are a member of, and actively engage with, the Sustainability Policy Advisory Committee, a significant real estate industry advocacy organization.

☐ No



OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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☒ Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
---------	--

- ☐ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☒ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☐ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

OA 11.3	Additional information. [Optional]
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TIAA-CREF participates in the advancement of ideas and practices surrounding responsible investing and advocates their acceptance and implementation within the investment industry. Toward that effort, we support organizations and associations dedicated to promoting responsible investing, good corporate governance, shareholder-rights protection, and research.

TIAA-CREF sponsors research on environmental, social and governance practices; hosts and sponsors conferences; and works with regulators, legislators, self-regulatory organizations and other institutional investors to educate the business community about governance, shareholder rights and responsible investing. We participate in public and industry debates-as well as related conferences and symposia-dealing with responsible investing and governance issues in domestic and international markets.

Research we have supported include the USSIF Foundation's flagship research project, "The Report on Sustainable and Responsible Investing Trends in the United States" which serves as a critical benchmarking measure for the industry, and the launch of the TIAA-CREF Center for Farmland Research at the University of Illinois.

TIAA-CREF is a member of Impact Community Capital (ICC)-an independent initiative created, owned and funded by eight insurance companies (including TIAA) to facilitate, on their behalf, quality investments benefiting low-income families and underserved communities.

### Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
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**OA 15.1**

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - corporate	ESG issues are actively considered and integrated within the investment strategies of the TIAA-CREF Social Choice Bond Fund and fixed-income portion of the TIAA-CREF Social Choice Account. The actively managed core bond fund invests in a diversified portfolio of U.S. fixed income securities that are subject to overall environmental, social, and governance (ESG) guidelines. The strategies invest in the corporate bonds of companies that show leadership among industry peers on ESG issues. Bonds issued by U.S. government agencies and treasuries are eligible for inclusion, as are bonds issued by countries with approved ESG performance levels. Through the use of a proprietary framework, there is additionally a target allocation to proactive social investments (PSI) that allows investors direct exposure to public fixed income securities that provide competitive risk-adjusted returns alongside clear social and environmental benefits and outcomes. The PSI framework guides investments in corporate bonds, agency securities, foreign government bonds, municipal bonds, and structured securities that meet certain ESG criteria.
Fixed income - government	Please see above
Fixed income - other	Please see above
Private equity	ESG incorporation in private equity happens across several areas and asset classes at TIAA-CREF, including within the timberland, agriculture and impact investment portfolios (for more information on our impact program, please see the PRI Inclusive Finance module)
Forestry	<p>TIAA has a philosophy on sustainability and responsible investing in timberland which is articulated in its Statement on Timberland Sustainability. TIAA's objectives are as follows:</p> <ol style="list-style-type: none"> <li>1. Identify priority issues of concern relevant for the economic, social and environmental risks and impacts of our timberland assets;</li> <li>2. Provide practical guidance relevant for the day-to-day management of timberland field operations;</li> <li>3. Ensure consistency of our policies with accredited forest certification programs, as appropriate</li> <li>4. Communicate our commitment to sustainable forestry practices to all stakeholders, including TIAA employees, clients and participants, forest managers, and the general public.</li> </ol> <p>TIAA supports certification standards with regard to sustainable timberland management:: Forest Stewardship Certification (FSC) and the Programme for Forest Certification (PEFC) group of standards, which includes the Sustainable Forestry Initiative (SFI) in North America. Through 2013, 100% of the traditional timberland portfolio is third-party certified as meeting these standards. It is our goal to maintain this level of certification across our traditional timberland portfolio.</p> <p>Within the timberland portfolio, ESG considerations are reviewed early in the initial investment review process. Our dedicated property management and engineering services teams assess the environmental impacts and risks of each investment in farmland and timberland. We conduct environmental due diligence relating to previous ownerships and property conditions overall, taking into account such environmental issues as the presence of hazardous waste, wetlands and endangered species. We also consider pesticide storage and consider vehicle-emissions standards, mineral-ownership rights, landlord-tenant laws and boundary disputes when evaluating each investment.</p>
	TIAA-CREF is a founding member and signatory to the Principles of Responsible Investment in Farmland which were designed to guide institutional investors who wish to invest in

Farmland	<p>farmland in a responsible manner. The five Farmland Principles are:</p> <ol style="list-style-type: none"> <li>5. Promoting environmental sustainability</li> <li>6. Respecting labour and human rights</li> <li>7. Respecting existing land and resource rights</li> <li>8. Upholding high business and ethical standards</li> <li>9. Reporting on activities and progress towards implementing and promoting the Principles</li> </ol> <p>TIAA is committed to integrating the principles into its responsible investment strategy.</p> <p>We practice environmental sustainability across our entire farmland portfolio, with activities including: the reduction of soil erosion and rainfall runoff through properly designed roads, berms, culverts, terraces or cover crops; water conservation (during irrigation) through grading, leveling, and improved technology that optimizes efficient water delivery; the avoidance of underground water contamination; and the monitoring of fertility and crop rotations to ensure the long-term health of soil.</p> <p>Our dedicated property management and engineering services teams assess the environmental impacts and risks of each investment in farmland and timberland. We conduct environmental due diligence relating to previous ownerships and property conditions overall, taking into account such environmental issues as the presence of hazardous waste, wetlands and endangered species. We also consider pesticide storage and consider vehicle-emissions standards, mineral-ownership rights, landlord-tenant laws and boundary disputes when evaluating each investment.</p> <p>TIAA is committed to reporting annually on its RI practices. In 2012, TIAA released its first Farmland Principles report, which may be found here: <a href="https://www.tiaa-cref.org/public/pdf/Farmland-Sustainability-Report.pdf">https://www.tiaa-cref.org/public/pdf/Farmland-Sustainability-Report.pdf</a></p>
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## Innovation

OA 18	Voluntary	Descriptive	General
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Among our innovations in responsible investment is the development of a proprietary framework, Proactive Social Investment (PSI), for identifying and classifying investment opportunities by combining emerging ESG research available in the marketplace with in-house TIAA-CREF expertise. The PSI framework was first developed in 2007 and subsequently updated in 2012. PSI seeks to identify the most compelling investment opportunities with an emphasis on competitive, risk-adjusted return potential and clear and measurable social or environmental benefits. The PSI framework targets investment opportunities along four broad themes: Affordable Housing, Community and Economic Development, Renewable Energy and Climate Change, and Natural Resources. TIAA-CREF sees the best responsible investment opportunities arising from these themes, which span multiple sectors of the fixed income market. Investments can be made across a diversified array of publicly-traded fixed-income securities including agency debt, asset backed securities, commercial mortgage-backed securities, corporate bonds, mortgage-backed securities and municipal bonds. Examples may include a municipal bond that funds a water infrastructure project or a corporate bond that finances the building of a solar power plant.

All of TIAA-CREF's Social Choice fixed-income strategies include a dedicated targeted allocation to PSI. The framework also provides a useful tool for communicating with issuers our expectations when considering investments in the PSI category. TIAA-CREF consults with many bond issuers when structuring these issuances for guidance on what characteristics are needed to satisfy investor demand, and the appropriate level and quality of subsequent disclosure around the use of proceeds.

Among our other innovations is the TIAA General Account Social Impact Investment Program. The Social Impact Investment Program is a commitment our company has to directing capital towards high-quality investment opportunities that create measurable social outcomes along three focus areas: Affordable Housing, Inclusive Finance, and Community and Economic Development. Each of these areas focuses on market-based solutions to address social needs, quality investment opportunities that reflect a good balance between financial and social return, and an opportunity for TIAA-CREF to play a leadership role by investing in them. Tracing its roots to the mid-1980s, the program has \$700 million in total commitments as of 12/31/2013. For more information on aspects of the program, please refer to the PRI Inclusive Finance module.

# TIAA - CREF

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

LEI 02	Voluntary	Descriptive	PRI 1
LEI 02.1	Provide a brief overview of how you incorporate ESG issues in listed equity investments.		

TIAA-CREF has a long history of incorporating ESG issues into listed equity investment decisions, starting with the launch of the CREF Social Choice Account in 1990 - one of the industry's first blended stock/bond variable annuities to incorporate such criteria. Since then, TIAA-CREF has introduced more options for investors interested in funds subject to ESG criteria, including the launch of the TIAA-CREF Social Choice Equity Fund in 1999, a mutual fund for individual and institutional investors that gives special consideration to companies' ESG records while seeking returns that reflect the investment performance of the broad U.S. stock market, and added the Social Equity Fund to our TIAA-CREF Life Funds series in order to provide our life insurance clients with ESG-focused options for investing the equity in their accounts (2000).

The field of ESG research has evolved significantly over the past two decades. The quantity and quality of ESG metrics and data available to investors has increased, in part due to initiatives focused on establishing ESG disclosure frameworks and providing more explicit guidance on industry and sector-specific key performance indicators. As the credibility and comparability of ESG information has improved, its potential applicability has expanded beyond ESG-focused funds. TIAA-CREF Global Social and Community Investing (GS&CI) Department is actively involved in initiatives which seek to further enhance the development of the ESG research field.

Broad concerns relating to ESG factors are typically expressed as risk factors which may reduce an investments fair value and increase the potential downside risk associated with an investment. This would occur via a higher discount rate used to value future projected cash flows given the uncertainty and potential for future liabilities. Known factors such as increased expense associated with regulatory requirements or changing consumer preferences are explicitly captured when modelling the estimated future cash flows of a company.

ESG factors are present across industries and geographies, but are more likely to be a primary rather than secondary consideration in certain areas:

- Environment: Natural resources, Utilities (e.g. carbon tax), Consumer (e.g. green choices)
- Social: Industrials (e.g. labor relations), Consumer (e.g. healthier choices)
- Governance: Technology (e.g. board independence), Financials (e.g. regulatory scrutiny), Emerging Markets (e.g. disclosure)

Since 2009, TIAA-CREF has also excluded equity investments from certain companies that maintain business relations with the government of Sudan. After a period of engagement with several of these companies, we have chosen to not invest in those that still have ties to Sudan and have not taken positive steps to respect human rights in that country (more information can be found at: [http://www1.tiaa-cref.org/public/about/press/about\\_us/releases/pressrelease313.html](http://www1.tiaa-cref.org/public/about/press/about_us/releases/pressrelease313.html)).

## ESG incorporation in actively managed listed equities

## Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
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**ESG incorporation strategy (select all that apply)**

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> <div>100</div>
--	--

- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed listed equities
--

100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
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At TIAA-CREF, we believe that the consideration of environmental, social and governance criteria by investors can enhance the long-term economic value of companies and produce competitive, long-term financial returns for our clients. We have seen that responsible business practices often lowers risk, improves financial performance, and brings better results across an array of social-responsibility issues-from ensuring product safety and protecting shareholder rights to safeguarding the environment.

In addition, ESG-focused funds meet specific client demand for investing in a way that explicitly accounts for ESG criteria within the investment process.

**(A) Implementation: Screening**

LEI 06	Mandatory	Descriptive	PRI 1
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**LEI 06.1**

Indicate and describe the type of screening you apply to your internally managed active listed equities.

**Type of screening**

☒ Negative/exclusionary screening

**Screened by**

- ☐ Product
- ☐ Activity
- ☒ Sector
- ☒ Country/geographic region
- ☐ Environmental and social practices and performance
- ☐ Corporate governance

**Description**

All listed equity strategies avoid investment in the following four oil and gas companies that continue to have ties to Sudan:

- China Petroleum & Chemical Corporation (Sinopec)
- Kunlun Energy (formerly CNPC Hong Kong Oil)
- Natural Gas Corporation
- PetroChina

☒ Positive/best-in-class screening

**Screened by**

- ☐ Product
- ☐ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
--	-------------

TIAA-CREF's ESG-focused funds (i.e. the Social Choice Funds) are subject to certain environmental, social and governance ("ESG") criteria. The ESG evaluation process is conducted on an industry-specific basis and involves the identification of key performance indicators, which are given more relative weight. The evaluation process favors companies with leadership in ESG performance relative to their peers. Typically, environmental assessment categories include climate change, natural resource use, waste management and environmental opportunities. Social evaluation categories include human capital, product safety and social opportunities. Governance assessment categories include corporate governance, business ethics and government & public policy. Concerns in one area do not automatically eliminate an issuer from being an eligible Fund investment. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers.

☒ Norms-based screening

#### Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
--	-------------

The ESG evaluation process utilized within TIAA-CREF's ESG-focused funds (i.e. Social Choice Funds) considers a company's involvement in ESG-related controversies, including violations of international norms and conventions such as those stated above, for example, how well companies adhere to international norms and principles and their involvement in major ESG controversies.

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
----------	---

The GS&CI team manages the development, enhancement, and oversight processes for the ESG criteria used to establish the investment universes for TIAA-CREF's ESG-focused funds (the Social Choice Fund family). The team coordinates annually a comprehensive review of the firm's approach for implementing the Fund's ESG criteria and the firm's preferred ESG research partner, for approval by the Fund's Independent Board of Trustees. Changes are communicated to clients and beneficiaries via the Social Choice prospectus and in other company communications such as our annual Responsible Investment Report.

LEI 07	Mandatory	Core Assessed	PRI 1
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LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
----------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 07.2	Additional information. [Optional]
----------	------------------------------------

The GS&CI team coordinates annually a comprehensive review of the firm's recommended approach to implementing the Fund's ESG criteria and ESG research partner for approval by the Fund's Independent Board of Trustees. Our process for evaluating potential ESG research partners is robust, and includes considerations of analytical capabilities, sources of data, track record and history in ESG research, company coverage, and approach to ESG performance evaluation, among other factors.

## (C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

## ESG incorporation in passively managed listed equities

LEI 14

Mandatory to Report Voluntary to Disclose

Descriptive

PRI 1

LEI 14.1

Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

☒ Yes

LEI 14.2

Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

(% of total passive listed equity funds)

- ☐ <10%  
☐ 10-50%  
☐ 51-90%  
☒ >90%

LEI 14.3

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

☒ Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
<p>All passively managed listed equity funds exclude equity investments from certain companies that maintain business relations with the government of Sudan.</p> <p>(more information can be found at: <a href="http://www1.tiaa-cref.org/public/about/press/about_us/releases/pressrelease313.html">http://www1.tiaa-cref.org/public/about/press/about_us/releases/pressrelease313.html</a>).</p>	<p><input checked="" type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input type="checkbox"/> Integration of ESG issues</p> <p><input type="checkbox"/> Other</p>

☐ Index/fund 2

☐ Index/fund 3

☐ Index/fund 4

☐ Index/fund 5

☐ No

## Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

☒ We disclose it publicly

Provide URL

[https://www.tiaa-cref.org/public/pdf/responsible\\_investing.pdf](https://www.tiaa-cref.org/public/pdf/responsible_investing.pdf)

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

☒ Broad approach to ESG incorporation

☐ Detailed explanation of ESG incorporation strategy used

LEI  
18.4

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

# TIAA - CREF

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

TIAA-CREF has a long history of engaging with public companies to improve corporate governance. Our pioneering effort dates back to the 1970s, when we were one of the first institutional investors to engage in dialogue with companies on social issues. Our public-equity portfolio of \$248 billion (as of December 31, 2013) puts us in an influential position when voting on shareholder resolutions.

TIAA-CREF's preference to engagement is through "quiet diplomacy" - engaging privately with portfolio companies when we sense potential shortcomings in their governance or environmental and social policies and practices that we believe impact their performance. We do not consider it our business to micromanage companies; we look to raise concerns and allow companies to explain how their policies and practices address these concerns. Our goal is to respect the proper role of shareholders to exercise oversight, not prescribe action. We believe constructive engagement strategies help to build trust, improve understanding and create space for dialogue.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		



Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
<b>LEA 03.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.		

☉ Yes

LEA  
03.2

Describe how you identify and prioritise engagements.

We normally engage with companies around specific governance or social responsibility issues, such as executive compensation, board composition, or climate change. We prioritize our engagements according to the following criteria. First, we evaluate the risk each issue poses to the market and its relevance to company strategy and performance. Then, we assess the likelihood that companies will be able to meaningfully resolve shareholder concerns about the issues. Finally, we also consider our own expertise and capacity. To aid our evaluation, we consult with internal experts, including our TIAA-CREF Asset Management colleagues and our dedicated Committees on Corporate Governance and Social Responsibility, who provide essential insight into our policies and activities. We also communicate with outside stakeholders, including other institutional investors, clients and potential clients, participant groups, nongovernmental organizations and industry trade associations or any other organization with an interest in the activities of TIAA-CREF or our portfolio companies. After a careful evaluation of each issue, we prioritize those topics that offer the best opportunity to positively impact the long-term value of our investments, consistent with our policy statement.

☐ No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA  
04.1

Indicate if you define specific objectives for your engagement activities.

☒ Yes

☐ Yes, for all engagement activities

☒ Yes, for the majority of engagement activities

☐ Yes, for a minority of engagement activities

☐ No

LEA  
04.2

Indicate if you monitor the actions that companies take following your engagements.

☒ Yes

☐ Yes, in all cases

☒ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA  
04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

Long term engagements are ongoing and can occur over the course of years. During each meeting, there is an agenda, and discussion points and next steps are addressed. At each subsequent meeting follow-up items are typically the first issues discussed. All meetings and actions are documented internally in order to facilitate an ongoing analysis of the engagement consistent with the guidelines of the TIAA-CREF Policy Statement on Corporate Governance ([https://www.tiaa-cref.org/public/pdf/pubs/pdf/governance\\_policy.pdf](https://www.tiaa-cref.org/public/pdf/pubs/pdf/governance_policy.pdf)).

☐ No

## Process for engagements conducted via collaborations

**LEA 05**

**Mandatory**

**Core Assessed**

**PRI 2**

**LEA  
05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☒ Yes

**LEA  
05.2**

Describe how you identify and prioritise collaborative engagements.

We prioritize collaborative engagements similarly to how we prioritize internal engagements. We normally engage with companies around specific governance or social responsibility issues, such as executive compensation, board composition, or climate change. We prioritize our engagements according to the following criteria. First, we evaluate the risk each issue poses to the market and its relevance to company strategy and performance. Then, we assess the likelihood that companies will be able to meaningfully resolve shareholder concerns about the issues. Finally, we also consider our own expertise and capacity. To aid our evaluation, we consult with internal experts, including our asset managers and our dedicated Committees on Corporate Governance and Social Responsibility, who provide essential insight into our policies and activities. We also communicate with outside stakeholders, including other institutional investors, clients and potential clients, participant groups, nongovernmental organizations and industry trade associations or any other organization with an interest in the activities of TIAA-CREF or our portfolio companies. After a careful evaluation of each issue, we prioritize those topics that offer the best opportunity to positively impact the long-term value of our investments, consistent with our policy statement.

☐ No

**LEA 06**

**Mandatory**

**Core Assessed**

**PRI 2**

**LEA  
06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

- ☒ Yes
- ☒ Yes, for all collaborative engagement activities
  - ☐ Yes, for the majority of collaborative engagement activities
  - ☐ Yes, for a minority of collaborative engagement activities
- ☐ No

**LEA  
06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
- ☒ Yes, in all cases
  - ☐ Yes, in the majority of cases
  - ☐ Yes, in the minority of cases

**LEA  
06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Typically there will be an engagement leader who coordinates the agenda, questions, materials and actual engagement meetings. This person subsequently distributes summary notes of the meeting and any follow-up items, while continuously reporting back on engagement progress. However, we would evaluate the goals and progress of the overall engagement consistent with the guidelines of the TIAA-CREF Policy Statement on Corporate Governance ([https://www.tiaa-cref.org/public/pdf/pubs/pdf/governance\\_policy.pdf](https://www.tiaa-cref.org/public/pdf/pubs/pdf/governance_policy.pdf)).

- ☐ No

#### General processes for all three groups of engagers

**LEA 10**

**Mandatory**

**Gateway/Core Assessed**

**PRI 2**

**LEA  
10.1**

Indicate if you track the number of companies you engage with.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

## Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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**LEA 15.1** Indicate whether your organisation proactively discloses information on its engagements.

- ☐ We disclose it publicly
- ☐ We disclose it to clients and/or beneficiaries only
- ☒ We do not proactively disclose it to the public and/or clients/beneficiaries.

## (Proxy) voting and shareholder resolutions

## Overview

LEA 16	Voluntary	Descriptive	PRI 2
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LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
----------	--

Proxy voting is a key component of TIAA-CREF's oversight and engagement program. It is one of our primary methods of exercising our shareholder rights and influencing the behavior of portfolio companies. TIAA-CREF commits substantial resources to making informed voting decisions in furtherance of our mission. All of our voting decisions are made in the best interest of our participants and shareholders. TIAA-CREF's voting policies, as described in its Policy Statement on Corporate Governance ([https://www.tiaa-cref.org/public/pdf/pubs/pdf/governance\\_policy.pdf](https://www.tiaa-cref.org/public/pdf/pubs/pdf/governance_policy.pdf)), are implemented on a case-by-case basis by the staff of our Corporate Governance Group. The staff relies on its professional judgment informed by proprietary research, reports provided by a variety of third-party research providers, consultation with our TIAA-CREF Asset Management colleagues and our trustees or a committee thereof. Annual disclosure of our proxy votes is available on our website and on the website of the Securities and Exchange Commission.

Process			
LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		
<div>Approach</div> <p> <input type="radio"/> We use our own research or voting team and make our own voting decisions without the use of service providers.             <input checked="" type="radio"/> We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.         </p>			
<div>Based primarily on</div> <p> <input type="radio"/> the service provider voting policy signed off by us             <input checked="" type="radio"/> our own voting policy             <input type="radio"/> our clients requests or policy             <input type="radio"/> other, explain         </p> <p> <input type="radio"/> We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.             <input type="radio"/> We hire service provider(s) which make voting decisions on our behalf.         </p>			
LEA 21	Mandatory	Core Assessed	PRI 2

<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- ☐ Yes, in most cases  
☒ Sometimes, in the following cases:  
     ☐ votes in selected markets  
     ☒ votes on certain issues (all markets)  
     ☐ votes for significant shareholdings (all markets)  
     ☐ other, explain  
☐ No  
☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 22.1</b>	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

98

	Specify the basis on which this percentage is calculated
--	--

- ☐ of the total number of ballot items on which you could have issued instructions  
☒ of the total number of company meetings at which you could have voted  
☐ of the total value of your listed equity holdings on which you could have voted

<b>LEA 22.2</b>	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

TIAA-CREF is committed to voting our shares in non-U.S. companies to the extent practicable. We vote all of our shares in the majority of the markets we invest, unless the barriers to doing so (i.e. share blocking) would inhibit our TIAA-CREF Asset Management from being able to trade shares as needed.

- ☐ We do not track or collect this information

## Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
----------	--

- ☒ We disclose it publicly

provide URL
-------------

<https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=TIA129>

LEA 26.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
----------	---

- ☒ Yes

LEA 26.3	Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.
----------	--

Indicate how much of your voting record you disclose
--

- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide
--

- ☐ Explain all voting decisions
- ☐ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☒ No explanations provided

LEA 26.4	Indicate how frequently you typically report voting information.
----------	--

- ☐ Continuously (primarily before meetings)
- ☒ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries



# TIAA - CREF

## Reported Information

### Public version

#### Direct - Property

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

PR 03	Voluntary	Descriptive	General
-------	-----------	-------------	---------

**PR 03.1** Indicate up to three of your largest property types by AUM.

Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input checked="" type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

**PR 03.2****Additional information.**

TIAA-CREF is one of the world's largest real estate investors, with more than \$47 billion of equity and debt investments in both private and public real estate assets (as of March 2013). Ours is a dynamic portfolio, meaning that acquisitions and dispositions occur almost every year pursuant to the targeted objectives established through a collaborative effort of the portfolio managers and asset managers, in compliance with the annual business plans established for each respective fund. Specific percentage of the total portfolio which may be transacted each year is dependent on the respective asset business plans and applicable market conditions.

Our position as major long-term investors enables us to influence the sustainability characteristics of our assets-from greenhouse-gas emissions to the consumption of energy and water use by the properties we own.

**PR 04****Voluntary****Descriptive****PRI 1-6****PR 04.1**

Provide a brief overview of your organisation's approach to responsible investment in property where you have equity stakes.

We have an established formal initiative, the Global Real Estate Sustainability Initiative (GRESI), which describes the general overview of our approach as well as specific mandates for the portfolio.

The GRESI, launched in 2007, defines, establishes and promotes TIAA-CREF's leadership role in environmental, sustainable and responsible practices in the real estate investment industry. It makes sustainability an integral part of our decision-making, starting with the budget process and extending through all of our ongoing property management activities.

Investment real estate represents the most significant contributor to TIAA-CREF's total greenhouse gas emissions. With respect to these assets, the Global Real Estate team has identified the following three key principles that represent the initial emphasis of GRESI: a) energy efficiency; b) water conservation; and c) waste reduction. The capstone to this trilogy is benchmarking. GRESI mandates that benchmarking be a critical operation for all real estate assets, utilizing standards that provide independent, verifiable, reportable and actionable data.

**PR 04.2**

Provide a brief overview of your organisation's approach to responsible investment in property where you hold debt.

We seek to establish the measures implemented by the debtor for the properties securing the debt to respond to, and comply with, market and regulatory standards for each property.

**PR 05****Mandatory****Core Assessed****PRI 1-6**

<b>PR 05.1</b>	Indicate if your organisation has a Responsible Property Investment (RPI) policy.
<input checked="" type="radio"/> Yes <input type="radio"/> No	

<b>PR 05.3</b>	Additional information. [Optional]
----------------	------------------------------------

The Global Real Estate Sustainability Initiative establishes the primary standards for investment real estate assets. A formal non-public Policies & Procedures manual covers environmental and non-environmental elements such as diverse suppliers and responsible contractors, while our Property Management Governance platform - whose mission is to provide oversight of Global Real Estate's third-party Property Management firms in a manner which helps drive continuous Property Management performance improvement - addresses issues related to controls and transparency.

## Fundraising of property funds

<b>PR 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,4,6</b>
--------------	------------------	----------------------	------------------

<b>PR 06.1</b>	Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
<input checked="" type="radio"/> Yes	

<b>PR 06.2</b>	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:
<input checked="" type="checkbox"/> Policy and commitment to responsible investment <ul style="list-style-type: none"> <li><input type="radio"/> Always</li> <li><input checked="" type="radio"/> In a majority of cases</li> <li><input type="radio"/> In a minority of cases</li> </ul>	
<input checked="" type="checkbox"/> Approach to ESG issues in pre-investment processes <ul style="list-style-type: none"> <li><input type="radio"/> Always</li> <li><input type="radio"/> In a majority of cases</li> <li><input checked="" type="radio"/> In a minority of cases</li> </ul>	
<input checked="" type="checkbox"/> Approach to ESG issues in post-investment processes <ul style="list-style-type: none"> <li><input type="radio"/> Always</li> <li><input checked="" type="radio"/> In a majority of cases</li> <li><input type="radio"/> In a minority of cases</li> </ul>	

**PR 06.3**

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

ESG integration topics are embedded within the breadth of our documentation.

☐ No

## Pre-investment (selection)

**PR 08**

**Mandatory**

**Gateway**

**PRI 1**

**PR 08.1**

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

☒ Yes

**PR 08.2**

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

Sustainability matters are reviewed as part of the overall due diligence process, utilizing a combination of internal engineering expertise and external consultants/experts. This includes focused checklists, site assessments and gap analyses that are used to identify sustainability opportunities and challenges at any property we consider acquiring.

☐ No

**PR 08.3**

Additional information. [Optional]

ESG review is undertaken to understand the existing conditions of the investment, rather than as a screen to eliminate a particular investment, although in specific circumstances such review may lead to a transaction being declined.

**PR 10**

**Mandatory**

**Core Assessed**

**PRI 1,3**

**PR 10.1**

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.

### ESG issues

☒ Environmental

List up to three typical examples of environmental issues

Energy benchmarking

Water benchmarking  
Toxic materials review

- ☐ Social  
☒ Governance

List up to three typical examples of governance issues

Property management governance review and on-boarding

**PR 10.2** Additional information. [Optional]

This information is part of a broader due diligence process, which seeks to establish the current conditions in effect at the subject property. This will inform the ultimate decision on the relative valuation of the subject property.

## Selection, appointment and monitoring third-party property managers

<b>PR 13</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**PR 13.1** Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

☒ Yes

**PR 13.2** Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- ☒ Selection process of property managers incorporated ESG issues
  - ☒ For all third party property managers
  - ☐ For a majority of property managers
  - ☐ For a minority of property managers
- ☒ Contractual requirements when appointing property managers includes ESG issues
  - ☒ For all third party property managers
  - ☐ For a majority of property managers
  - ☐ For a minority of property managers
- ☒ Monitoring of property managers covers ESG responsibilities and implementation
  - ☒ For all third party property managers
  - ☐ For a majority of property managers
  - ☐ For a minority of property managers

**PR 13.3**

Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

All third party property managers are selected through a competitive bid process to identify the most qualified firm in each market. Recognition, understanding and compliance with our Property Management Governance platform and Global Real Estate Sustainability Initiative are incorporated into the contractual terms of engagement.

**PR 13.4**

Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

An annual property management roundtable, coordinated by the Property Management Governance team, provides a regular forum to engage with property managers and elicit improvements and modifications to the Policies& Procedures manual, as well as other protocols and operational standards, that are expected for each investment asset. This meeting is supplemented by periodic conference calls with defined agendas and follow up to ensure as much transparency and communication is maintained between the parties to achieve desired objectives, including those related to ESG issues.

☐ No

**PR 13.5**

Additional information. [Optional]

As part of the Policies& Procedures mandated for each property management assignment, the Global Real Estate Sustainability Initiative is an integral part of the ESG integration process, establishing the goals and objectives for the environmental performance of each investment.

## Post-investment (monitoring and active ownership)

### Overview

**PR 14**

**Mandatory**

**Gateway**

**PRI 2**

**PR 14.1**

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

☒ Yes

**PR 14.2**

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- ☒ We consider ESG issues in property monitoring and management
- ☒ We consider ESG issues in property developments and refurbishments
- ☐ We consider ESG issues in property occupier engagements
- ☐ We consider ESG issues in community engagements related to our properties
- ☐ We consider ESG issues in other post-investment activities, specify

**PR 14.3**

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]

ESG issues are defined by the Policies& Procedures manual, the Global Real Estate Sustainability Initiative, and the Property Management Governance platform. Examples of ESG considerations related to our property assets include considerations of energy efficiency (being as efficient in the use of energy as possible, recognizing that sustainability is not about abstaining from the use of energy but rather being more intelligent in its use), water conservation (the elimination of unnecessary water consumption and the appropriate usage for water needs as a means of addressing supply, quality and cost issues), and waste reduction (to reduce or eliminate those activities which generate unnecessary waste and the transportation of waste and to encourage greater levels of reuse and recycling).

☐ No

**PR 14.4**

Additional information. [Optional]

An annual property management roundtable, coordinated by the Property Management Governance team, provides a regular forum to engage with, and elicit improvements and modifications to the Policies& Procedures manual, as well as other protocols and operational standards, that are expected for each investment asset. This meeting is supplemented by periodic conference calls with defined agendas and follow up to ensure as much transparency and communication is maintained between the parties to achieve desired objectives, including ESG issues.

As a result of our sustainability efforts, in 2013, TIAA-CREF received the U.S. Environmental Protection Agency's ENERGY STAR Sustained Excellence Award-the program's highest honor-for a fourth consecutive year. We are the only financial-services organization to be honored for its leadership and commitment in this area. We earned the ENERGY STAR Leaders Top Performer Award for 2011 and 2012 and received recognition from the U.S. Department of Energy and from the Building Owners and Managers Association (a preeminent industry advocacy group).

## Property monitoring and management



PR 15	Mandatory	Core Assessed	PRI 2,3
-------	-----------	---------------	---------

PR 15.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
---------	--

- ☐ >90% of property assets  
☒ 51-90% of property assets  
☐ 10-50% of property assets  
☐ <10% of property assets

(in terms of number of property assets)

PR 15.2	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
---------	--

#### ESG issues

- ☒ Environmental

List up to three example targets per issue
--

Energy consumption targets

Water consumption targets

Consideration of reductions in waste generated, and increase in amount recycled

- ☐ Social

- ☒ Governance

List up to three example targets per issue
--

Quarterly/Annual scorecard results comparing effectiveness across peer firms managing our assets.

Annual Kingsley Survey of property managers activities, with comparison against Kingsley Index as well as across peer firms managing our assets.

Internal property management governance team operational reviews conducted periodically to affirm compliance with defined policies and procedures.

- ☐ We do not set and/or monitor against targets

### Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
-------	-----------	---------------	-------

<b>PR 17.1</b>	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
----------------	---

- ☒ >90% of active developments and refurbishments
- ☐ 51-90% of active developments and refurbishments
- ☐ 10-50% of active developments and refurbishments
- ☐ <10% of active developments and refurbishments
- ☐ N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

<b>PR 17.2</b>	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
----------------	--

- ☒ Minimum environmental site selection requirements
- ☒ Minimum environmental site development requirements
- ☐ Sustainable construction materials
- ☒ Minimum water efficiency requirements
- ☒ Minimum energy efficiency requirements
- ☐ Energy generation from on-site renewable sources
- ☐ Waste management plans at sites
- ☐ Health and safety management systems at sites
- ☒ Construction contractors comply with sustainability guidelines
- ☐ Other, specify

<b>PR 17.3</b>	Additional information. [Optional]
----------------	------------------------------------

In addition, in compliance with the end-to-end view of sustainability, we mandate that all new construction and development projects located in the United States be designed and built to achieve LEED (Leadership in Energy and Environmental Design) certification. This certification, sponsored by the US Green Building Council, is an accepted standard of state-of-the-art design principles that represent the minimum standard for consideration by TIAA-CREF for any real estate investment. International developments, where LEED certification is not generally recognized or available, shall pursue comparable regional certification schemes such as BREEAM, HQE or Green Globes.

## Communication

<b>PR 23</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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<b>PR 23.1</b>	Indicate if your organisation proactively discloses ESG information on your property investments.
----------------	---

- ☒ Disclose publicly

provide URL

[https://www.tiaa-cref.org/public/pdf/responsible\\_investing.pdf](https://www.tiaa-cref.org/public/pdf/responsible_investing.pdf)

**PR 23.2**

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- ☐ Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- ☒ Other property reporting standards, specify
- ENERGY STAR Portfolio Manager**
- ☐ No property specific reporting standards are used

**PR 23.3**

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- ☐ Yes
- ☒ No

**PR 23.4**

Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

**Public**

- ☐ ESG information on how you select property investments
- ☒ ESG information on how you monitor and manage property investments
- ☒ Information on your property investments' ESG performance
- ☐ Other, specify

**Clients/beneficiaries**

- ☒ ESG information on how you select property investments
- ☒ ESG information on how you monitor and manage property investments
- ☒ Information on your property investments' ESG performance
- ☐ Other, specify

**PR 23.5**

Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.

**Public**

- ☐ Quarterly or more frequently
- ☐ Semi annually
- ☒ Annually
- ☐ Every two years or less frequently
- ☐ Ad-hoc, specify

**Clients/beneficiaries**

- ☒ Quarterly or more frequently
- ☐ Semi annually
- ☐ Annually
- ☐ Every two years or less frequently
- ☐ Ad-hoc, specify

**PR  
23.6**

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

The TIAA-CREF Responsible Investing Reports, issued annually, provide an overall view of the various approaches for integrating ESG information across asset classes and strategies within TIAA-CREF Asset Management, including ESG integration within Global Real Estate. Specific reports may be generated for individual stakeholder groups, including regularly scheduled updates as well as ad hoc reports to fulfill special requests.

- ☐ Disclose to clients/beneficiaries only
- ☐ No proactive disclosure to the public or to clients/beneficiaries

**PR 23.7**

Additional information. [Optional]

There are multiple stakeholder groups that require varied information on specific ESG activities.

# TIAA - CREF

## Reported Information

### Public version

#### Direct - Inclusive Finance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Context

IFD 01	Voluntary	Descriptive	PIIF General
--------	-----------	-------------	--------------

IFD 01.1

Indicate if you have a distinct mission and investment objective for your investment in inclusive finance.

☒ Yes

IFD 01.2

Describe your inclusive finance mission and investment objective.

Inclusive Finance is part of TIAA's Social Impact Investment Portfolio. The General Account's Social Investment Program embodies our endeavor to direct capital toward quality investment opportunities-consistent with the General Account's overall investment strategy and risk-adjusted return expectations-that also create measurable social outcomes. Tracing its roots to the mid-1980s, the program has over \$700 million in total commitments as of December, 2013. The portfolio's goal is to invest in sectors overlooked or underpopulated by mainstream investors and facing capital gaps

Our Inclusive Finance portfolio goal is to make high-quality, fair, transparent and affordable financial services widely available to Low-to-Moderate Income (LMI) populations and small-medium size enterprises (SME) globally. In the case of underserved consumers, increased access to financial products and services is expected to provide financial security through building of assets and improving livelihoods. In the case of SMEs access to finance is expected to help entrepreneurs bring their ideas to market, create new jobs, and fuel economic development overall. These investments will have a global focus with a majority of investment outside of the United States.

☐ No

## PIIF Principle 3: Fair treatment

IFD 16	Mandatory	Core Assessed	PIIF 3
--------	-----------	---------------	--------

### Possible action:

*Provide financing in an appropriate currency and tenor.*

*Actively support the building of a diversified funding base.*

IFD 16.1

In relation to your direct portfolio in equity (as reported in IFD 04), indicate the average holding period of an equity investment.

- ☐ 12 months or fewer
- ☐ 13 to 24 months
- ☐ 25 to 60 months
- ☒ Over 60 months

<b>IFD 16.2</b>	Indicate if you have specific policies or procedures in relation to responsible approaches to exit.
-----------------	---

- ☒ Yes  
☐ No

<b>IFD 16.4</b>	Indicate if you have specific policies or procedures on Return on Equity (ROE) targets or caps in relation to your equity investments.
-----------------	--

- ☒ Yes  
☐ No

<b>IFD 16.7</b>	Indicate if you have a set limit regarding the maximum equity investment exposure of the investees in which you invest.
-----------------	---

- ☒ Yes  
☐ No

<b>IFD 17</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PIIF 3</b>
---------------	------------------	----------------------	---------------

**Possible action:**

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

<b>IFD 17.1</b>	Indicate if you adopt the following practices:
-----------------	--

- ☒ Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.

	Describe your process.
--	------------------------

When structuring direct investments, TIAA engages in extensive negotiation of terms with investees. These agreements are reviewed by expert legal counsel representing both sides.

	Indicate if these practices are formalised in written policies and procedures.
--	--

- ☐ Yes  
☒ No

- ☒ Foster trust and proactive dialogue with investees through straightforward discussions on issues such as a covenant breach.

	Describe your process.
--	------------------------

To the extent possible we leverage the guidance provided by the PIIF on reasonable covenants, and ensure that the investees understand mitigation steps.

	Indicate if these practices are formalised in written policies and procedures.
--	--

- ☒ Yes  
☐ No

- ☒ In the case of material covenant breach, create/participate in a voluntary workout group where applicable, with the goal to help the investee remain a going concern whenever possible.

Indicate if these practices are formalised in written policies and procedures.

☐ Yes

☒ No

☐ Encourage investee skills-building on financial projections, scenario planning and stress-testing for management, and on financial expertise and governance for Directors.

☐ Other (explain)

☐ None of the above

## PIIF Principle 4: Responsible investment

IFD 18

Mandatory

Gateway

PIIF 4

### Possible action:

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

IFD 18.1

Indicate if you use the following tools for social performance reporting:

### Externally developed tools

During due diligence.

☒ Yes

☐ No

☐ We don't track social performance

For monitoring and reporting purposes.

☒ Yes

☐ No

☐ We don't track social performance

Describe the approaches used and frequency of use.

We leverage social performance indicators developed by industry best practices.

### In-house tools based on externally developed tools



	During due diligence.
--	-----------------------

- ☐ Yes
- ☒ No
- ☐ We don't track social performance

	For monitoring and reporting purposes.
--	--

- ☐ Yes
- ☒ No
- ☐ We don't track social performance

#### Tools developed solely in-house

	During due diligence.
--	-----------------------

- ☐ Yes
- ☒ No
- ☐ We don't track social performance

	For monitoring and reporting purposes.
--	--

- ☐ Yes
- ☒ No
- ☐ We don't track social performance

IFD 19	Mandatory	Descriptive	PIIF 4
--------	-----------	-------------	--------

IFD 19.1	Indicate if you require the retail institutions in which you invest to have an independent financial rating.
----------	--

- ☐ Always
- ☐ In a majority of cases
- ☒ In a minority of cases
- ☐ No

IFD 19.2	Indicate if you require the retail institutions in which you invest to have an independent social rating.
----------	---

- ☐ Always
- ☐ In a majority of cases
- ☒ In a minority of cases
- ☐ No

**IFD 19.3**

Indicate if you require the retail institutions in which you invest to have an independent social audit.

- ☐ Yes  
☒ No

**IFD 20****Mandatory****Core Assessed****PIIF 4****Possible action:**

*Assist in developing appropriate references for corporate governance issues.*

**IFD 20.1**

In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:

**Compensation of the Board of Directors and Executive Directors (i.e. its transparency, the use of benchmarking)**

**Pre-investment**

- ☒ Yes  
☐ No  
☐ Not for all of our investments in inclusive finance

**Post-investment**

- ☒ Yes  
☐ No  
☐ Not for all of our investments in inclusive finance

**Composition of the Board (i.e. breadth and depth of experience, effective client representation, diversity)**

**Pre-investment**

- ☒ Yes  
☐ No  
☐ Not for all of our investments in inclusive finance

**Post-investment**

- ☒ Yes  
☐ No  
☐ Not for all of our investments in inclusive finance

Whether the Board receives social performance management-related information from the management team that is analysed and contributes to Board decision making.

	Pre-investment
--	----------------

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

	Post-investment
--	-----------------

- ☒ Yes
- ☐ No
- ☐ Not for all of our investments in inclusive finance

IFD 23	Mandatory	Descriptive	PIIF 4
--------	-----------	-------------	--------

**Possible action:**

*Assist in developing appropriate references for environmental issues.*

IFD 23.1	Indicate if you have a procedure to integrate the consideration of environmental issues in your investment decision processes.
----------	--

- ☒ Yes
  - ☐ For all inclusive finance investments
  - ☒ For a majority of inclusive finance investments
  - ☐ For a minority of inclusive finance investments
- ☐ No

IFD 23.4	Indicate if you request your investees to comply with an environmental exclusion list.
----------	--

- ☐ Yes, for all investees
- ☐ Yes, for a majority of investees
- ☐ Yes, for a minority of investees
- ☒ No

## PIIF Principle 5: Transparency

IFD 26	Mandatory	Core Assessed	PIIF 5
--------	-----------	---------------	--------

**Possible action:**

*Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.*

**IFD 26.1**

Other than the PRI/PIIF, indicate if you provide your investors and/or the public with information aligned with industry standards.

☐ Yes

☒ No

**IFD 27****Mandatory****Core Assessed****PIIF 5****Possible action:**

*Ensure that investees adequately disclose the pricing, terms and conditions of financial products and services offered, and that the pricing, terms and conditions are understood by clients.*

**IFD 27.1**

Indicate if you encourage the retail institutions in which you invest to ensure that the following are transparent and fully explained to their clients (i.e. those seeking financial services from them) in a form they can understand.

Pricing

☒ Yes

**IFD 27.2**

Indicate how you ensure this for pricing and provide examples.

When we make direct investments in inclusive finance we ensure the following at the level of the investee: During his/her marketing activities, the loan officer conducts a "pre-loan" meeting during which he performs the following: - Introduction to the institution, branch and loan officer. - Welcome and thanks to prospective clients and host - Provides an overview of the institutional mission, vision and values, client profiles, product and pricing information, loan documents required, all product benefits

☐ No

Other terms and conditions

☒ Yes

**IFD 27.3**

Indicate how you ensure this for other terms/conditions and provide examples.

We also check to ensure that: - Once the loan is disbursed, the loan contract cover page clearly states the interest rate, VAT, commissions (if applicable) and delinquency fees (if applicable) - Each borrower is made aware of the process to lodge complaints as well as contact information for the institution.

☐ No

**PIIF Principle 6: Balanced returns**

IFD 28	Mandatory	Core Assessed	PIIF 6
--------	-----------	---------------	--------

**Possible action:**

*Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.*

IFD 28.1	Indicate if the social performance of investees affects your:
----------	---

Investment decision making
----------------------------

☒ Yes

IFD 28.2	Explain how social performance of investees affects investment decision making.
----------	---

Social performance indicators tracked and reported by the institution are evaluated to ensure that they reflect the core business practices in place. Investment decision making is influenced by the trends of these indicators, progress towards set goals and their impact on financial and social sustainability for the institution.

☐ No

Portfolio management
----------------------

☒ Yes

IFD 28.3	Explain how social performance of investees affects portfolio management.
----------	---

Investment decision making to add additional funds to the investment and to exit an investment is influenced by the trends of the social performance indicators, progress towards set goals and their impact on financial and social sustainability for the institution.

☐ No

## PIIF Principle 7: Standards

IFD 32	Mandatory	Core Assessed	PIIF 7
--------	-----------	---------------	--------

**Possible action:**

*Participate in networks to share tools, information and resources.*

IFD 32.1	Select which of the following collaborative initiatives your organisation has supported or participated in, and the role you played.
----------	--

### The Principles for Investors in Inclusive Finance

- ☒ Yes
- ☐ Basic
  - ☐ Moderate
  - ☒ Advanced
- ☐ No

### The Smart Campaign

- ☒ Yes
- ☒ Basic
  - ☐ Moderate
  - ☐ Advanced
- ☐ No

### Social Performance Task Force

- ☐ Yes
- ☒ No

### Council for Microfinance Equity Funds (CMEF)

- ☐ Yes
- ☒ No

### European Microfinance Platform (eMFP)

- ☐ Yes
- ☒ No

### Global Impact Investors Network (GIIN)

- ☒ Yes
- ☐ Basic
  - ☐ Moderate
  - ☒ Advanced
- ☐ No

Other network, association memberships and/or specific collaboration related to the promotion of inclusive finance, specify

- ☐ Yes
- ☐ No

**IFD 32.2**

If you have indicated that your organisation was involved in any of the above, please provide a brief commentary. [Optional]

TIAA-CREF has served on the PIIF Steering Committee since 2011, and continues to provide leadership and support to its efforts in harmonizing investor standards in the sector. This includes recruiting new signatories to the PIIF, sharing best practices with investors about the value of the principles through participation in discussions and panels at industry conferences and also through ongoing engagement with co-investors, the PRI Secretariat and other signatories to ensure that the principles continue to reflect current industry needs.

TIAA - CREF

Reported Information

Public version

Indirect - Inclusive Finance

## PRI disclaimer

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## Selection

IFI 02	Mandatory	Core Assessed	General
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### IFI 02.1

Indicate if you have due diligence policies and/or procedures in place for the selection of external investment managers in inclusive finance that take their approach to the following responsible investment issues (PIIF Principles) into account:

Actively supporting retail providers to innovate and expand the range of financial services available to low income people (Principle 1)

- ☒ Yes  
☐ No

Integration of client protection in investment policies and practices. (Principle 2)

- ☒ Yes  
☐ No

Treating investees fairly with appropriate financing that meets demand, clear and balanced contracts, and fair processes for resolving disputes. (Principle 3)

- ☒ Yes  
☐ No

The inclusion of environmental, social and corporate governance (ESG) issues in investment policies and reporting. (Principle 4)

- ☒ Yes  
☐ No

Active promotion of transparency in all aspects. (Principle 5)

- ☒ Yes  
☐ No

Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors. (Principle 6)

- ☒ Yes  
☐ No

Collaborating to set harmonised investor standards that support the further development of inclusive finance. (Principle 7)

- ☒ Yes  
☐ No

## Contractual agreements and mandate design

IFI 03	Mandatory	Core Assessed	General
--------	-----------	---------------	---------

IFI 03.1	When agreeing contracts and designing mandates with investment managers, in the process, indicate if you consider including the following issues referred to in the PIIF:
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	Actively supporting retail providers to innovate and expand the range of financial services to low-income people (Principle 1)
--	--

☒ Yes

	Describe and indicate how.
--	----------------------------

Our investment process integrates the PIIF principles within fund due-diligence, and we actively promote adoption of the PIIF principles by our external investment manager partners. Inclusive Finance is part of TIAA's Social Impact Investment Portfolio. The General Account's Social Investment Program embodies our endeavor to direct capital toward quality investment opportunities-consistent with the General Account's overall investment strategy and risk-adjusted return expectations-that also create measurable social outcomes. Tracing its roots to the mid-1980s, the program has over \$700 million in total commitments as of December, 2013. The portfolio's goal is to invest in sectors overlooked or underpopulated by mainstream investors and facing capital gaps

As part of our due-diligence process we evaluate the investment manager's investment strategy with respect to target investee characteristics to ensure that these include financial institutions with the ability to offer a range of products suitable to underserved communities. Further we conduct detail studies of existing investments and pipeline companies to ascertain diversity of products made available to low-income individuals and communities.

☐ No

	Integration of client protection in investment policies and practices (Principle 2)
--	---

☒ Yes

Describe and indicate how.

Client protection plays a very important role in our due-diligence process and specifically we evaluate the manager's process with respect to investing in companies that place important on:

- Leveraging credit bureau information (where available) to confirm if the client has additional loans outstanding. and ensuring that there is training provided to employees on avoiding over-indebtedness.
- Thorough and appropriate credit underwriting processes with good oversight.
- Product and pricing transparency through educating clients on the process and rules for working with the institution. In addition, since most of the investment managers we work with are PIIF signatories, they encourage their investees to endorse Smart Campaign's Client Protection Principles.

☐ No

Treating investees fairly with appropriate financing needs that meets demand, clear and balanced contracts and fair processes for resolving disputes (Principle 3)

☒ Yes

Describe and indicate how.

Fair treatment of clients and transparency of products and services is an area that we evaluate through our due-diligence process. Some aspects of our evaluation include:

- Client awareness of the process to file a complaint against a loan officer or branch manager in the event of an issue arising.
- How interest rates, terms and conditions for products are explained to clients, including the simplicity or complex nature of the actual loan agreements.
- How efficiently loans are serviced including time taken for loan application, underwriting and disbursement.

☐ No

The inclusion of ESG issues in investment policies and reporting (Principle 4)

☒ Yes

Describe and indicate how.

We conduct an evaluation of ESG at the manager level and specifically focus on the governance at the fund level. This includes evaluation of the investment committee, advisory board, conflict committee and audit committee to ensure sufficient independence and expertise. Evaluation of governance at the investee level includes some of the same factors but also takes into account the manager's involvement in the board, voting and other shareholder rights. Further, we review any and all environmental and social guidelines for loans made to individuals and small businesses at the investee level (as put in place by the manager).

☐ No

Active promotion of transparency in all aspects (Principle 5)

☒ Yes

Describe and indicate how.

We promote transparency for the manager as well as investee's. In the case of the manager it includes review of reporting for of voluntary principles like the PIIF, and regular financial and social reporting in line with industry best practices. In the case of investees we encourage voluntary reporting of indicators to the Microfinance Information Exchange (MIX) in particular.

☐ No

Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors (Principle 6)

☒ Yes

Describe and indicate how.

We place great importance on long-term sustainability of the inclusive finance sector. To that end our evaluation takes into account how investment managers participate on the boards of investees to influence matters like growth of business, achieving scale, balancing the needs to current clients versus new client acquisition, cost of capital, timelines for realizing return and other related topics. In our view, inclusive finance practices from country to country will inevitably vary and so will interest rates, and expectation of risk-adjusted return. Our evaluation strives to identify those investment managers that place top priority on the sustainability of the investee and the interests of its customers.

☐ No

Collaborating to set harmonised investor standards that support the further development of inclusive finance (Principle 7)

☒ Yes

Describe and indicate how.

TIAA-CREF has served on the PIIF Steering Committee since 2011, and continues to provide leadership and support to its efforts in harmonizing investor standards in the sector. This includes recruiting new signatories to the PIIF, sharing best practices with investors about the value of the principles through participation in discussions and panels at industry conferences and also through ongoing engagement with co-investors, the PRI Secretariat and other signatories to ensure that the principles continue to reflect current industry needs.

☐ No

**IFI 03.2** Additional information. [Optional]

In addition to the due diligence process information provided on each of the specific principles of inclusive finance, TIAA-CREF also conducts extensive in-country and on-site due-diligence on investment managers and their portfolio companies to ensure that their practices reflect their policies.

## Investment manager monitoring and reporting

IFI 04	Mandatory	Core Assessed	General
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<b>IFI 04.1</b>	Indicate if you monitor your current investment managers' implementation of the PIIF principles.
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☒ Yes

<b>IFI 04.2</b>	Indicate the frequency of reporting you typically require.
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- ☒ Annually or more frequently
- ☐ Every two years or less
- ☐ Ad-hoc, specify

☐ No

## Disclosure

IFI 06	Mandatory	Core Assessed	General
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**IFI 06.1**

Indicate if your organisation proactively discloses any information about your approach to responsible investment in inclusive finance.

☒ Yes, we disclose publicly

provide URL

[http://www.tiaa-cref.org/public/pdf/sri\\_2013\\_report.pdf](http://www.tiaa-cref.org/public/pdf/sri_2013_report.pdf)

☐ Yes, we disclose to clients/beneficiaries only

☐ No

**IFI 06.2**

Additional information. [Optional]

TIAA-CREF annually publishes a report detailing our approach to Responsible Investing. This report specifically highlights our General Account Social Impact Investment Portfolio and our approach to investing in Inclusive Finance. Further, as signatories to the PIIF our annual PRI transparency report is made public.