

#### **4. Additional Information**

*Addendum to the consultation submission of Nuveen Services, LLC*

Please find below our fuller text responses to questions 10 & 33, which we were unable to include in the consultation questionnaire itself. We believe this additional information is important in addressing these important questions, and we would be happy to provide additional feedback on these topics if helpful.

***Question 10. Should institutional investors and credit institutions be required to estimate and disclose which temperature scenario their portfolios are financing (e.g. 2°C, 3°C, 4°C), in comparison with the goals of the Paris Agreement, and on the basis of a common EU-wide methodology?***

*While we support a common EU-wide methodology for temperature scenario estimations and disclosures, it is critical that corporates and investee companies provide reliable and comparable data in order for institutional investors to make accurate and effective estimations for temperature scenarios financed by their portfolios. Without this information being required, the absence of this data could result in inaccurate disclosures. Temperature alignment of portfolios is an emerging best practice we support, but accurate data availability is a challenge that needs to be addressed.*

***Question 33: The Climate Benchmarks Regulation creates two types of EU climate benchmarks - 'EU Climate Transition' and 'EU Paris-aligned' - aimed at investors with climate-conscious investment strategies. The regulation also requires the Commission to assess the feasibility of a broader 'ESG benchmark'. Should the EU take action to create an ESG benchmark?***

*Nuveen foresees two challenges to the creation of an ESG benchmark. First, and most importantly, it would require the EU to 'pick a winner' among ESG research and ratings providers, which in our view would be inappropriate. ESG research and ratings providers have different methodologies that serve different segments of the market. In our view, there is no single correct way to measure ESG performance, and differences among ESG ratings providers are welcome and to be expected.*

*Second, we also note that the development of an ESG benchmark would not necessarily result in a significant increase in capital flowing to companies considered ESG leaders. Only the full passive replication of the benchmark's security selection and weights would result in the ESG characteristics of the benchmark being preserved in investment strategies. Based on our own experience, we believe that full passive replication is unlikely to be the predominant way investors use an ESG benchmark.*

*Nuveen uses benchmarks in a variety of different ways. For example, Nuveen often uses active or quantitative approaches to replicate the risk and performance characteristics of a benchmark, which may result in significant variation in the actual weights and holdings of Nuveen's strategies vs. the benchmark itself. Unlike full passive replication, this helps differentiate Nuveen's strategies from those of competitors.*