

CHURCHILL  
from nuveen



2022

# Sustainability Report



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# About us

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# A message from our CEO



**Ken Kencel**  
President & CEO

I'm pleased to introduce Churchill's inaugural sustainability report, which allows our firm the opportunity to memorialize our responsible investing best practices and approach to corporate sustainability.

While sustainability & ESG integration have been a focus at Churchill for some time, I am excited about the strides we are taking as a firm to integrate ESG into all aspects of our business. This report is an example of that commitment and sets an important baseline for our organization's ESG platform, one in which we are determined to improve as our practices continue to evolve.

As an affiliate of Nuveen, we have been fortunate to benefit from our parent company's leading Responsible Investing organization, which has over five decades of experience championing sustainability in financial markets. The power of that platform combined with the establishment of Churchill's dedicated sustainability & ESG integration team over the last year has led to an evolution of our ESG practices, through improved institutional knowledge, ESG expertise and diligence processes.

Our ESG program will only intensify with our new fund launches in 2023. In this report, we aim to provide transparency on our corporate sustainability practices and the advancements we have made integrating ESG risks and opportunities across our portfolio.

“

***We want to provide transparency on our corporate sustainability practices and the advancements we have made integrating ESG risk and opportunity assessments across our portfolio.”***

We will also define our mission and philosophy, highlighting the pillars of our corporate sustainability and responsible investing approach. As we further invest in our sustainability & ESG integration efforts, we will continue to position ourselves as a leader in responsible investing across the private capital industry.

Ultimately, while sustainable investing is about leadership, it is also about humility. We look forward to hearing your thoughts and reflections on this report, and thank you for your interest in our work.

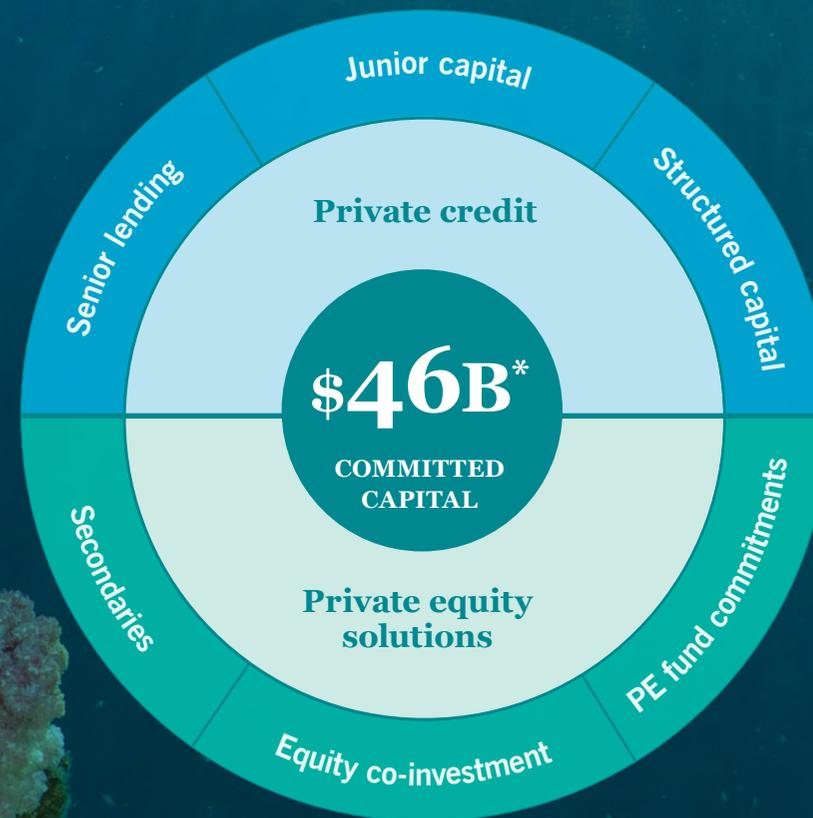
Ken Kencel  
President & CEO



# Churchill overview

**Churchill, an investment-specialist affiliate of Nuveen (the asset manager of TIAA), provides customized financing solutions to middle market private equity firms and their portfolio companies across the capital structure.**

With **\$46 billion** of committed capital,\* we provide first lien, unitranche, second lien and mezzanine debt, in addition to equity co-investments, secondary solutions and private equity fund commitments. Churchill has a long history of disciplined investing across multiple economic cycles and our unique origination strategy, best in class execution and investment are driven by more than 150 professionals in New York, Charlotte, Chicago, Dallas and Los Angeles.



THE M&A ADVISOR

Lender Firm of the Year<sup>1</sup>  
2022

Private Debt  
Investor

#3 Junior Lender of the Year<sup>2</sup>  
2022



#1 U.S. Buyout Lender<sup>3</sup>  
2022



#2 U.S. PE Senior Lender<sup>3</sup>  
2022

\* Reflects committed capital as of 01 Jan 2023.



# Churchill's culture



## MISSION

Churchill is focused on providing our investors superior investment returns. Our highly talented, diverse, experienced team has a long track record of generating consistent, attractive risk-adjusted returns and providing comprehensive capital solutions to support the growth of U.S. middle market companies across economic cycles.



## VISION

We aspire to be the partner of choice for our investors, private equity sponsors, employees, and communities at large. We strive to have an inclusive, best-in-class team that is empowered to create long-term value for all of our stakeholders.



## VALUES

### Collaborative environment:

Churchill is one team, maintaining a constant focus on positive cooperation to generate the most favorable outcomes for our firm's stakeholders.

### Relationship oriented:

We focus on fostering long-term, trusted partnerships to create value.

### Inclusive environment:

We draw on diversity of background, experience & thought in everything we do.

### Operate with integrity:

We value the responsibility & trust our stakeholders have placed in us to maintain a disciplined investment strategy.

### Commitment to excellence:

Employees are the core of our business, striving to continuously improve to reach the full potential required to deliver the best performance in the industry.



# ESG Approach

[Our ESG philosophy ▶](#)

[Our ESG resources & team ▶](#)

[Industry initiatives ▶](#)



# Our ESG philosophy

**We endeavor to “practice what we preach.” We strive to serve as an example of ESG best practice at the firm-level and among our peer set, which we feel will enable better and more empathetic partnerships with companies in our portfolio. We have an ESG mindset when it comes to our own operations, including our human capital, our carbon footprint and our governance practices. In doing so, we strive to be a better and more informed partner to our portfolio companies, and a more trustworthy steward of capital.**

**OUR RESPONSIBLE INVESTING PHILOSOPHY IS FOCUSED ON TWO KEY PRINCIPLES:**



## **Integration**

Churchill is committed to delivering superior risk-adjusted returns to its clients while upholding the highest ethical standards, including certain ESG risk and opportunity factors.



## **Engagement**

Churchill believes that effective engagement allows us to drive change at our portfolio companies and in the broader market to mitigate corporate risks and bolster company value.



# ESG resources & team

Churchill views ESG integration as a key part of our mission to deliver risk-adjusted returns to our investors. As such, we believe a dedicated ESG team is necessary to ensure and sustain progress. Our ESG team consists of two full time employees that report to Chief Risk Officer Chris Cox and Deputy Risk Officer Carol Loundon. The team is also supported by an ESG working group of seven other employees across functions. This level of coverage ensures that ESG is not simply being evaluated at an investment level, but that our own thinking and practices are evolving with the industry.

**Churchill's ESG practice is supported by Nuveen's 30+ person Responsible Investing Team that includes coverage across ESG integration, stewardship and engagement, and responsible investing strategy and solutions. Churchill has dedicated coverage within Nuveen's ESG integration team. Churchill's ESG working group includes broad representation from: investor relations, data analytics, origination, underwriting and risk.**



**Christopher Cox**  
*Senior Managing Director,  
Chief Risk Officer*

In his role as Chief Risk Officer, Chris is responsible for overseeing Churchill's ESG platform, which includes integration across all investments and Churchill's corporate sustainability efforts. Prior to joining the firm, Chris was a principal of Carlyle GMS Finance and was a managing director and chief risk officer for Churchill Financial, which he joined in 2006. In this role, he was responsible for overseeing the company's risk management infrastructure, including all risk management processes and policies.

Chris graduated with a B.S. in Civil Engineering from Tufts University and an M.B.A. from Fordham University.



**Mickey Weatherston**  
*Principal, Head of  
Sustainability & ESG  
Integration*

As Head of Sustainability and ESG Integration, Mickey is responsible for the strategic direction and day-to-day oversight of Churchill's ESG integration and corporate sustainability efforts. Mickey is a member of the Churchill Diversity Equity & Inclusion counsel and represents Churchill on the ESG Integrated Disclosure Project executive committee. Prior to joining the firm, Mickey was the director of marketing and client service at Muzinich & Co., where he was responsible for ESG integration for the company's public and private debt strategies. Before that, he worked as a vice president for AQR Capital Management and spent 12 years as an executive director for UBS Investment Bank.

Mickey graduated with a B.S. in Finance from the University of Maryland. He holds the FINRA Series 7, 24 and 63 licenses and the CFA Institute Certificate in ESG Investing.



**Carol Loundon**  
*Managing Director,  
Deputy Chief Risk Officer*

In her role as Deputy Chief Risk Officer, Carol assists Chris in overseeing Churchill's ESG integration efforts. As part of her role, she is responsible for ensuring collaboration between the investment and ESG teams during underwriting and portfolio monitoring. Previously, she was a Vice President and Portfolio Manager at BDCA, a business development corporation that is focused on making direct senior, middle market loans. Prior to BDCA, Carol was a Senior Associate at Churchill Financial where she worked in the Underwriting and Portfolio Management group.

Carol graduated from Georgetown University in 2001 with a B.S. in business administration.



**Bailey Page**  
*Senior Associate,  
Sustainability & ESG  
Integration*

Bailey is focused on the incorporation of ESG matters within the firm's investment processes and the coordination of all ESG investment ratings across strategies, as well as other key ESG initiatives at the firm. Bailey is a member of Churchill's Diversity Equity & Inclusion Counsel and Junior Leadership Counsel. Previously, Bailey was an Associate at MUFG Securities, where she worked in the Leveraged Finance group analyzing market data and performing credit analysis to assist clients across industries with capital solutions.

Bailey graduated from Georgetown University in 2018 with a B.S. in Business Administration, with concentrations in Finance and International Business.



# Industry initiatives

**Churchill's parent company, Nuveen, has been a leader in responsible investing for five decades. Nuveen's pioneering effort to practice responsible investing dates back to the 1970s, when, under its parent company, Teachers Insurance and Annuity Association (TIAA), Nuveen was one of the first institutional investors to engage in dialogue with companies and investors on ESG.**

As a Nuveen affiliate, Churchill is proud of the leadership role Nuveen has played in the industry and of the organization's track record of achieving positive financial and non-financial client outcomes related to ESG practices.

Together with Nuveen, Churchill believes that by driving transparency, innovation and global adoption of responsible investment best practices, we have the opportunity to provide enduring benefits for portfolio companies, investors, and our local and global communities.

## Churchill collaborates with peers and industry stakeholders to create best practices and drive more effective outcomes



Churchill partnered with the United Nations Principles for Responsible Investment (PRI) and other PRI signatories to develop the Private Credit-Private Equity ESG Factor Map to streamline the ESG information shared during the investment process. This is designed to facilitate collaboration between sponsors, co-investors and lenders and integrates existing ESG standards and frameworks.



Churchill joined the executive committee for the ESG Integrated Disclosure Project (ESG IDP), an industry initiative bringing together leading lenders in private credit to improve ESG data transparency. The ESG IDP was formed by the Alternative Credit Council (ACC), the Loan Syndication and Trading Association (LSTA) and the UN PRI in cooperation with leading alternative asset managers and credit investors.



Churchill and Nuveen participated in the 2022 Private Debt Investor ESG Report sharing their approach to ESG in private debt. Churchill's Head of Sustainability & ESG integration, Mickey Weatherston, highlighted key trends facing the asset class, discussed Churchill's ESG integration during due diligence and emphasized the importance of reporting ESG performance. The article also details best practices for aligning with private equity sponsors on ESG.



# ESG Integration

ESG in Churchill's  
investment process ▶

Exclusions ▶

Due  
diligence ▶

Our tool ▶

Stewardship  
& engagement ▶

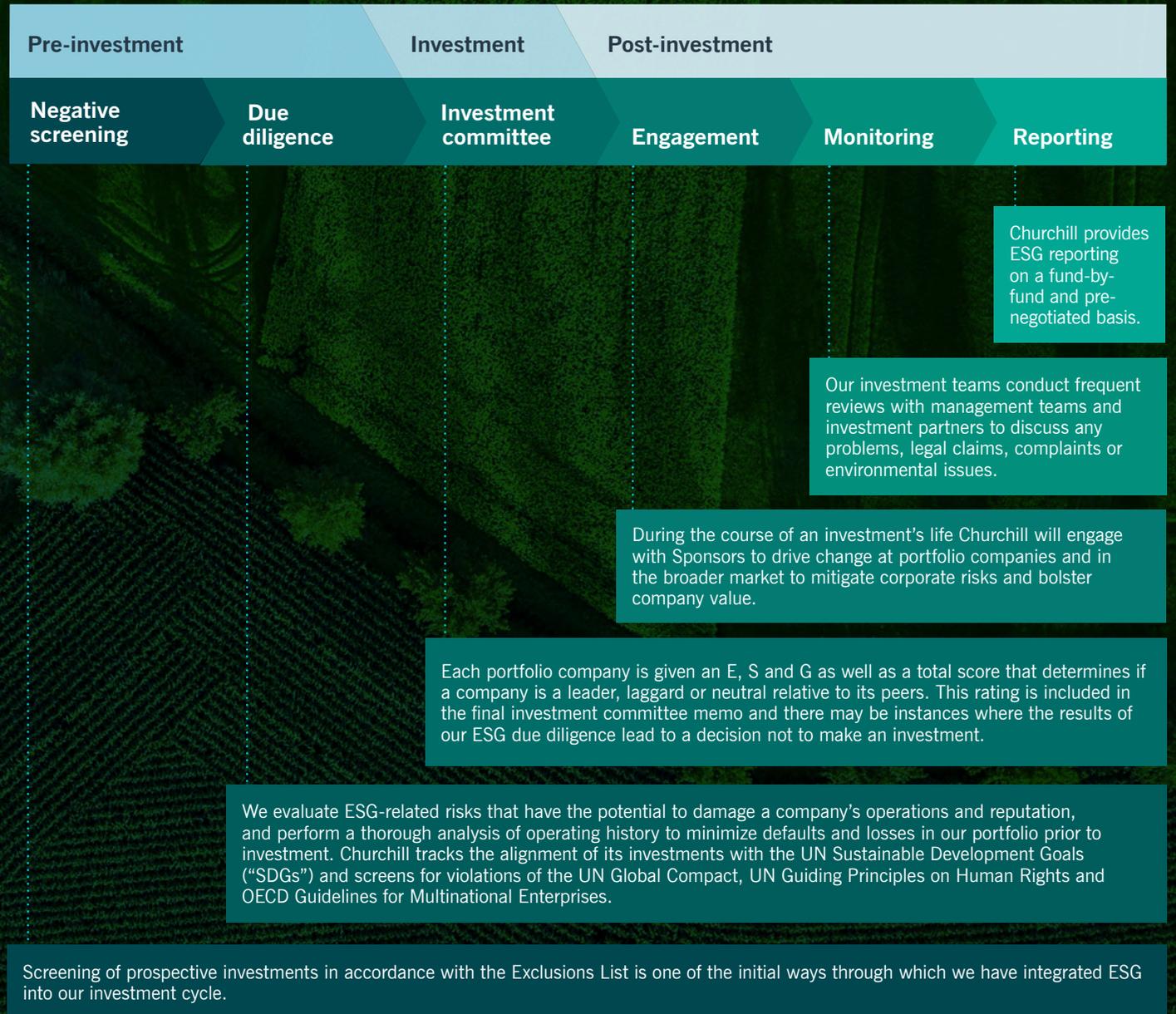
Mentoring  
& reporting ▶



# ESG in Churchill's investment process

**We believe that good ESG practice is synonymous with good business practice. The integration of ESG supports the long-term success of businesses and is necessary for the betterment of the global marketplace. We believe that the inclusion of ESG principles in our investment and decision-making processes ultimately makes us better investors, both by reducing risk and by creating value.**

To right-size our approach, Churchill closely considers material ESG factors in our pre- and post-investment processes as a means to enhance long-term value across our portfolio and investment strategies. This materiality based approach allows us to capitalize on global trends while contributing to the betterment of our planet, and without sacrificing competitive commercial returns for our stakeholders.



# Exclusions

## Broad negative screening against the firm's exclusions

As a private capital firm that reviews over 1,700 potential opportunities annually, our originators first look at a business' product or service to determine if it conflicts with our firm-level exclusions. Often referred to as **negative screening**, this method identifies investments in companies that work against our values (e.g., companies with a history of corruption, fraud, misconduct, etc.) or sell core products or services that we do not want our business associated with (e.g., weapons, tobacco, etc.). Negative screening is widely used in responsible investing and forms one of the pillars for how we integrate ESG factors into our investment decisions.



“**Formalizing our exclusion policy has helped remove the ambiguity around the potential headline and reputational risks inherent within certain industries. The result has been a more efficient process for our originators in discussions with sponsors as they source opportunities.**”

—Kevin Meyer  
Managing Director & Head of Origination

## Negative screens exclude certain investments



- Violations of the UN Global Compact Principles
- Controversial weapons
- Conventional weapons
- Non-weapon component of conventional weapons\*
- Adult entertainment
- Alcohol\*
- Tobacco production
- Cannabis production
- Tobacco or cannabis retailing & associated paraphernalia or components\*
- Thermal coal
- Fossil fuels production & distribution
- Machinery components, products & services associated with the production of fossil fuels\*
- Gambling\*

\*Revenue threshold rather than an absolute exclusion



# Due diligence and discussion

Once a potential deal passes this initial screen, we conduct deal-specific ESG due diligence to gather as much data from the private equity sponsor as possible.

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



“Our core GPs have adapted to ESG market standards and requirements that sophisticated private equity investors require.”

—Anne Philpott  
Managing Director, Junior Capital & Private Equity Solutions

## EXAMPLE OF MATERIALITY FACTORS:

- Physical and transitional climate risk
- GHG emissions and water usage
- Product quality and safety
- Supplier contracts
- Labor practices
- Employee health and safety
- Diversity
- IT security
- Management of legal and regulatory environment
- Board structure
- Management and accounting practices

## ESG JOINS THE CONVERSATION

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



### CASE STUDY:

## Materiality assessment in practice

A 2022 investment opportunity across both our senior lending and equity co-investment strategies exhibited leading environmental practices by tracking GHG emissions and energy consumption at their facilities going back to 2010. The company has made meaningful reductions in GHG emissions and electricity and water consumption from their baseline metrics. Additionally, the company's core services enable their customers to benefit from the energy transition by supporting the use of electric grid, solar and wind generation energy. These factors were discovered by Churchill's ESG team during due diligence and contributed to the underwriter's overall assessment of the investment's creditworthiness.



# Our proprietary ESG ratings tool

Scoring is weighted based off the risk exposures identified in the materiality and management assessment, with a focus on the industry in which the business operates and the product or service they provide. Each portfolio company is scored on the E, S and G aspects of their business along with a final total score that determines if a company is a leader, laggard or neutral as compared to other companies within that industry.

This total ESG score helps us assess the key ESG risks and opportunities for a given deal and is included in the material reviewed during our investment committee meetings.

If a potential investment receives a particularly low ESG score indicating a lack of ESG risk management, we may decline to proceed with the deal unless proper mitigation actions can be implemented. In the case where there is a key opportunity for an investment to improve their ESG practices, Churchill's ESG team has the capability to collaborate with the investment's owners to discuss improvement plans and engage on ongoing ESG opportunities.



**“The ESG scores generated by our tool, along with the commentary from our ESG team, offer a more comprehensive view of investment risk and help our investment committee make well-informed decisions.”**

**—Chris Cox**  
Chief Risk Officer

## MANAGEMENT ASSESSMENT EXAMPLES

### Does the company...

- have a history of anti-competitive practices or insider training?
- have adequate data security policies in place?
- report financials in a transparent and reliable manner?
- measure their emissions and water usage?
- manage ESG at the board level? Do they have a policy?
- pay executives in line with peers? Is their pay aligned to performance?



# Stewardship & engagement

**Churchill views engagement as a necessary part of responsible investing. By engaging on certain key topics such as GHG emissions or employee health and safety, we aim to improve not only our investment outcomes, but the outcomes for all stakeholders.**

Below we define the dimensions of our stewardship and engagement framework through which we measure our efficacy.

- **Engagement:** A dialogue between an investor and an issuer focused on positively influencing corporate behavior on ESG issues.
- **Stewardship:** A range of activities performed to exert influence on companies, issuers and other investees to help them innovate and operate more efficiently, e.g., company dialogue, targeted initiatives, market initiatives and policy influence.



“*Engagement with our portfolio companies and their private equity sponsors is a key component of how we promote environmental and social objectives across our investments. Due to the way we invest and allocate, all of our fund investments will benefit from the advancements we are making in our ESG integration practices, with engagement being a top focus.*”

—Mickey Weatherston

*Principal, Head of Sustainability & ESG Integration*

**We engage with investments under one or more of the three umbrellas below:**



## **TRANSPARENCY**

*Consistent, material disclosure that can inform analysis*



## **ACCOUNTABILITY**

*Policies, business strategies, oversight structures and incentives aimed at appropriately managing financially material ESG issues*



## **IMPACT**

*Measurable result of policies, practices, products and services on the environment and/or affected individuals and communities*

## **Churchill’s targeted engagement**

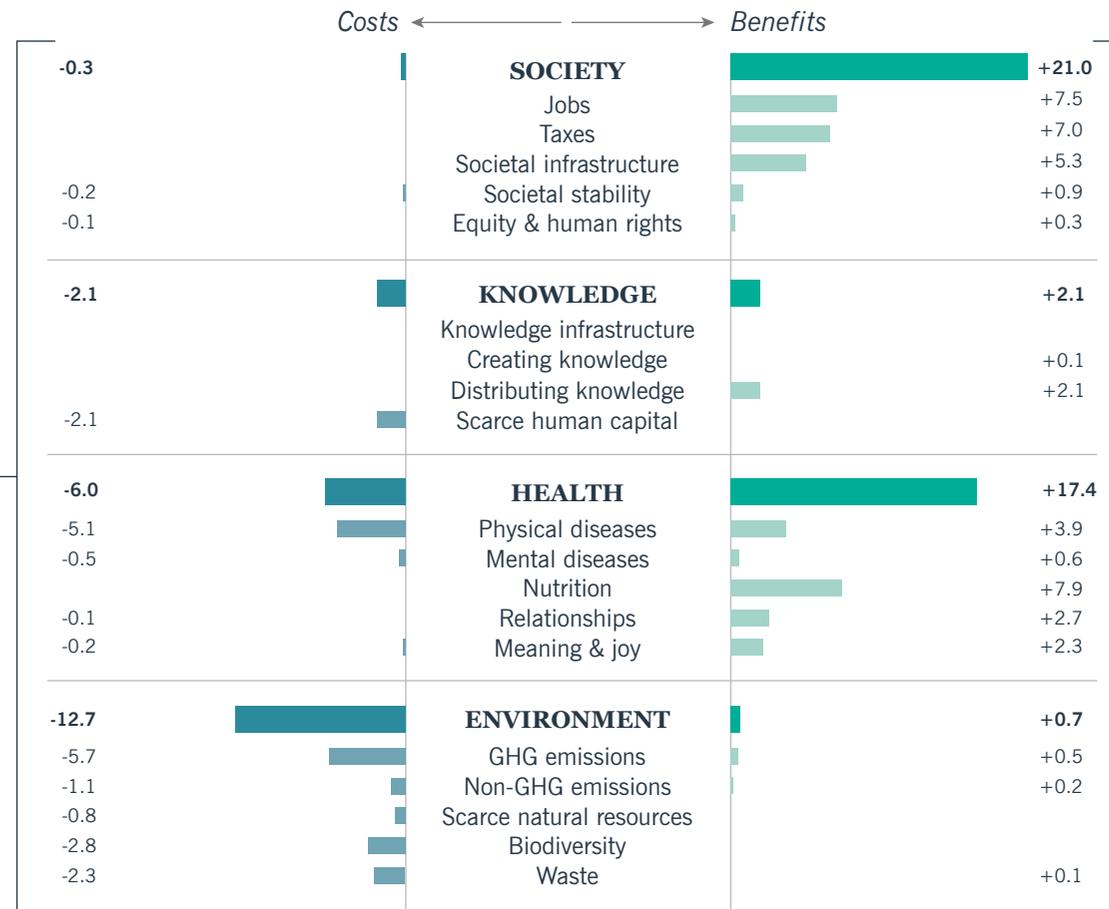
- Modeled carbon emissions and engagement
- Health & safety engagement



# Monitoring & reporting

Churchill monitors ESG risks and opportunities through quarterly portfolio review as well as ongoing engagement with our sponsors and portfolio companies. Additionally, we are increasingly leveraging new technology, such as Upright Project, to help assist in portfolio monitoring and reporting. With Upright, we can map the revenue streams of our portfolio company holdings to assess UN Sustainable Development Goals (“SDGs”) alignment and misalignment, along with impact metrics across key ESG indicators. Supplementing the key performance indicators we collect from sponsors with ESG data from Upright allows us to factor additional externalities into our ongoing risk reviews and improve the level of detail we can report on to our investors.

## Most misaligned UN Sustainable Development Goals



## Most aligned UN Sustainable Development Goals



**+49%** net impact ratio



# Carbon footprinting

Carbon initiatives ▶

The Churchill footprint ▶



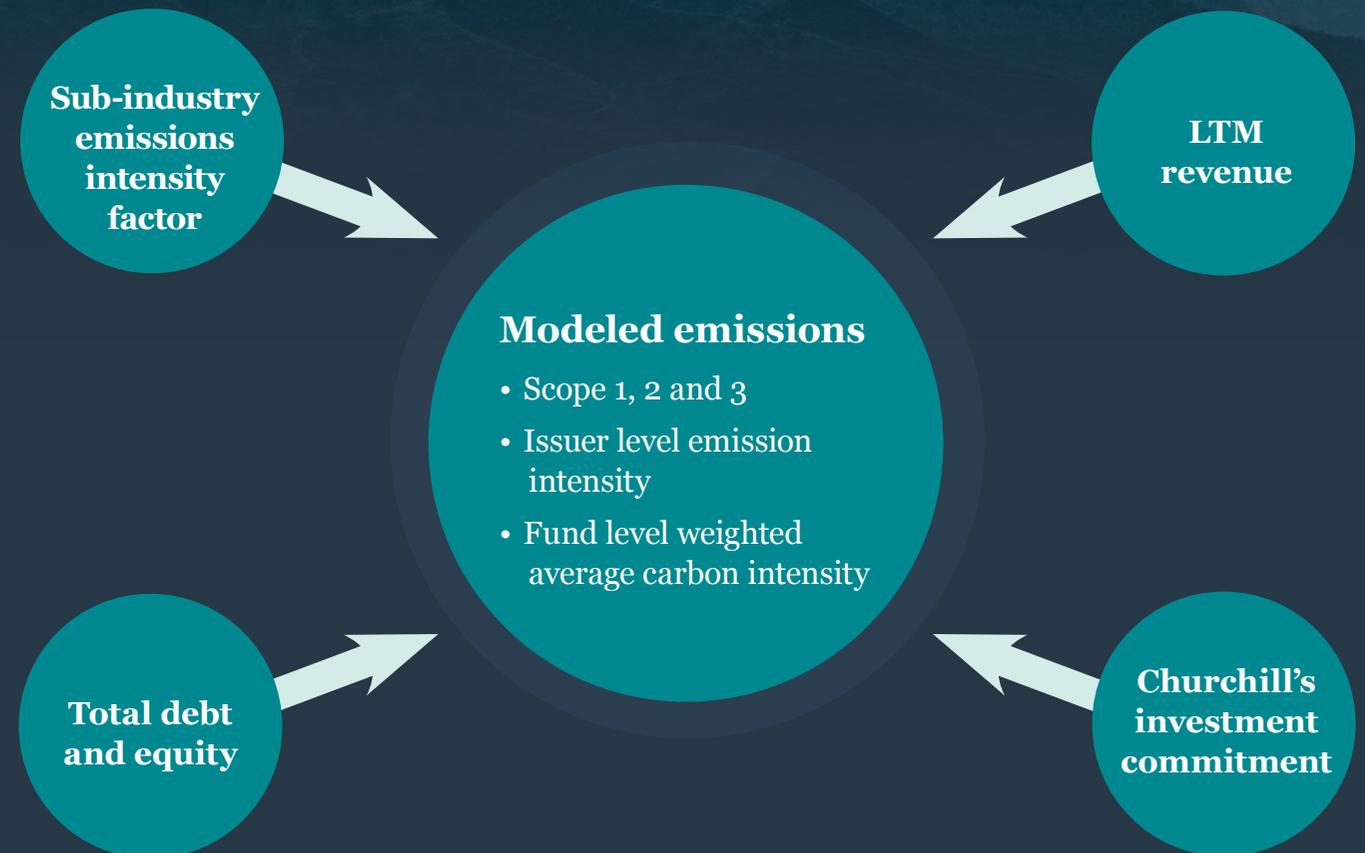
# Carbon initiatives

Churchill understands that climate risk, both physical and transitional, is of paramount importance when evaluating overall investment risk to ensure a cleaner, sustainable future for the planet and to deliver attractive, long-term focused risk-adjusted returns. Churchill's and Nuveen's parent company, TIAA, has committed the entire General Account portfolio to Net Zero by 2050. Roughly half of our committed capital is made up of TIAA General Account assets and will be tracked toward this pledge. With that in mind, Churchill has retained a vendor to model all our portfolio investments' scope 1, 2 and 3 emissions.



Persefoni, a top-tier carbon accounting platform in private markets, leverages the Partnership for Carbon Accounting Financials (PCAF) methodology for calculating the financed emissions for a given index. Where actual reported emissions have been reported from an issuer to the CDP, those emissions are used in the calculation. Where actual reported emissions are not available, they are estimated using the PCAF methodology, available data from market exchanges and the Vitalmetrics CEDDA 5 Emissions Factor set.

## Calculating the carbon impact of an investment



# The Churchill footprint

Churchill's commitment in transitioning to a low carbon economy goes beyond our portfolio investments. In 2022, we began the process to measure our firm-level emissions in order to understand how we can reduce our own operational carbon footprint alongside our portfolio investments. Churchill collaborated with Persefoni to collect the required data to measure our Scope 1, 2 and 3 emissions in accordance with the GHG protocol. Now that we have our baseline measurement, we are currently developing a decarbonization plan.

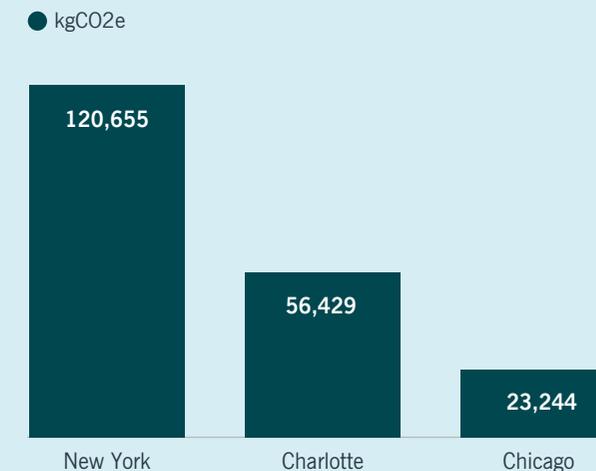
- 1** Our **scope 1 emissions** cover direct emissions from sources owned and controlled by the company, such as heating units in our office buildings.
- 2** **Scope 2 emissions** include indirect emissions from the consumption of purchased electricity, steam, heat and cooling for our offices.
- 3** **Scope 3 emissions** cover indirect emissions such as business travel, employee commuting and purchased goods and services. This scope does not include our financed emissions; however, this would account for the largest emissions for an asset manager such as Churchill.

## Churchill's 2022 operational emissions (tCO<sub>2</sub>e)\*



\* As of 31 Dec 2022.

## 2022 Emissions by location\*\*



\*\* Scope 1 and 2 emissions as of 31 Dec 2022.

## Our next steps



Independent **3rd party audit** of our baseline data to advance decarbonization plan



Improve **data quality** for upcoming years



Moving to **certified green building** in NYC; less commuting or air travel



Switch to **renewable energy /** renewable natural gas



# Diversity, equity & inclusion

[Our commitment to DEI ▶](#)

[DEI in action ▶](#)

[Alignment with Nuveen ▶](#)



# Our commitment to Diversity, Equity & Inclusion (DEI)

Churchill is committed to building a culture of inclusion, embracing diversity of thought, and nurturing an inclusive and diverse next generation of leaders for our firm. Together, these principles guide how we attract, retain, develop and advance our talent. We believe an equitable workplace drives innovation and better decision making, and makes us better investors for our stakeholders and communities overall.

## FOUR PILLARS

As a leader in the middle market investment community, Churchill recognizes the importance of continued focus on global social issues:

### EDUCATION

We are encouraging inclusive behavior and promoting equality firm-wide through ongoing education and training.

### LEADERSHIP

We are setting our agenda for inclusion and diversity with the active engagement and direction of our Senior Leadership Council comprised of a diverse group of talent across the firm.



### ACCOUNTABILITY

We are demonstrating our commitment and accountability for DE&I both internally — by carefully monitoring our progress and continually refining our goals — and externally — by creating ways for our people to make a positive difference in underrepresented communities.

### DEVELOPMENT

We are widening our talent pool and enhancing our professional staff through recruitment and retention practices that foster inclusion and diversity.



**“Our people are our most important asset and a key to our success.”**

**—Alona Gornick**  
Co-Head of Diversity,  
Equity & Inclusion Council



# DEI in action

## Churchill's Diversity, Equity & Inclusion Council

We established our DEI Council to promote action, embrace diverse perspectives, and ultimately help drive better, more innovative decision-making in these areas:

- Intensifying efforts to widen our talent pool
- Incorporating DEI in performance goals and expectations
- Maintaining ongoing training on inclusive leadership and unconscious biases
- Reinforcing inclusive and diverse practices to develop our talent
- Leveraging our leadership team's dedication to building and sustaining inclusive and diverse teams

### AFFILIATIONS

Churchill has also partnered with two leading organizations in our ongoing effort to advance DEI in the private capital industry at large.



As a signatory to the Institutional Limited Partners Association (ILPA) Diversity in Action initiative, we have agreed to undertake a series of actions to promote diversity and inclusion, as defined in the initiative's framework, spanning talent management, investment management and industry engagement.



MILKEN INSTITUTE

We joined the Milken Institute's DEI in Asset Management Executive Council, which brings together industry leaders to develop action-oriented solutions and industry standards to foster diverse and inclusive cultures within asset management institutions for women and Black Indigenous People of Color.



**“The principles established by our DEI Council are integral to how we attract, retain and advance our talent. We are also incredibly proud of the programs we continue to launch to support women and ethnic minorities both in our industry and in our communities at large.”**

—Anne Philpott

Co-Head of Diversity, Equity & Inclusion Council

Women & ethnic minorities comprise.\*



of Churchill



of senior leadership



of new hires



of promotions

\*As of 1 Jan 2023.



# Alignment with Nuveen

As an investment affiliate of Nuveen, Churchill is fully aligned with the firm's DEI perspectives and goals and has ready access to its resources for building inclusion and diversity. Nuveen strives to maintain an inclusive and engaging culture that celebrates its diversity and empowers employees — and to use its inclusivity as a tool to encourage others to do the same.

Nuveen has numerous firm-wide efforts under way to sustain that culture and interaction with its associates, including affinity groups that provide encouragement and opportunities for women, ethnic minority and LGBTQ+ associates.

Nuveen is the asset manager of TIAA, which was ranked #8 in the 2023 DiversityInc Top 50 Companies for Diversity list.<sup>4</sup>



# Community engagement

Scholarships & fellowships ▶

Partnering in the community ▶

Mentorship & sponsorship ▶



# Scholarships & fellowships

We are opening more doors for diverse candidates to pursue careers in finance and investment management, including launching Churchill's first scholarship program, **The Gryphon Scholarship**, and joining the **Roger W. Ferguson (RWF) fellowship** program through Nuveen.



GRYPHON  
SCHOLARSHIP

## THE GRYPHON SCHOLARSHIP

Helps Title 1 high school students located in the New York, Chicago and Charlotte metro areas who are planning to pursue full-time undergraduate study. The program is 100% funded by Churchill employees and matched by our ultimate parent company, TIAA.

Located in the **New York**, **Chicago** and **Charlotte** metro areas



**100% matched** by our ultimate parent company, TIAA



Administered by  
**Scholarship America®**



**Up to 5**  
award winners annually



# Partnering in the community

We continue to identify partner organizations and programs focused on raising awareness of societal needs. These present opportunities for Churchill employees to get involved and give back, forging genuine connections with their professional peers and local communities.

## SNACK PACKING EVENTS

Churchill employees volunteered in partnership with TIAA's Corporate Social Responsibility team to pack snacks for students in Charlotte, Chicago and New York. Following each event, snacks were distributed to local schools serving underprivileged students. These snacks are immediately provided to students, and in some cases were sent home with students to provide them with snacks during spring break when they would not have access to meals at school.

## PARTNERSHIP WITH TEACH FOR AMERICA

Churchill is an avid supporter of Teach For America ("TFA"), an education nonprofit leading critical work to ensure all children have access to an excellent education. With two decades of learning loss coming out of the pandemic, TFA's committed, talented teachers and education leaders are needed now more than ever.

## TEACHFORAMERICA

Churchill CEO Ken Kencel is a member of TFA's Connecticut Board. The annual fundraiser event was a particular success, featuring Nuveen CEO Jose Minaya on a panel discussion with Sherrese Clarke Soares, Founder & CEO of HarbourView Equity Partners, moderated by Jon Fortt of CNBC. All proceeds benefited Teach For America.



80  
volunteers



4,200  
snacks



Raised \$50k+  
during a fundraiser event



# Partnering in the community



Churchill also supports **The National Forest Foundation (“NFF”)**, the leading organization inspiring personal and meaningful connections to our National Forests, the centerpiece of America’s public lands.

Working on behalf of the American public, the NFF leads forest conservation efforts and promotes responsible recreation. NFF believes these lands, and all they provide, are an American treasure and are vital to the health of our communities. With capacity to absorb up to 15% of domestic carbon emissions, our forests are integral components of climate change mitigation and lasting environmental sustainability. Many major U.S. companies are achieving triple-bottom-line results by investing in forests as reliable carbon sinks.

Churchill was a sponsor at the Net Zero and Forests event, which featured a panel discussion around forest-based solutions for ESG Strategies.



Churchill employees volunteer annually at **Read Ahead**, a nonprofit organization that supports NYC public elementary school students in developing a love of reading and essential literacy skills.

Read Ahead provides caring adult mentors to students for weekly one-on-one reading and mentoring sessions throughout the school year. We work closely with corporate and community partners to recruit the mentors in our program.

Read Ahead and Churchill have partnered together since 2021. We have had 27 Churchill mentors paired with 14 public elementary school students in NYC to support their literacy and social-emotional skills.

Churchill mentors meet weekly or every other week with the same student throughout the school year. They read books together, develop a relationship, and work through a curriculum designed to develop literacy skills such as phonics, vocabulary and reading comprehension.

27

mentors

14

NYC public  
elementary  
school  
students



# Mentorship & sponsorship

Churchill established the **Women's Inspiration Network (“WIN”)**, an employee resource group focused on empowering and inspiring our female talent to build the skills they need to advance their careers and to be an advocate for others. WIN's mission is to expand female representation at every level of our organization, providing opportunities for mentorship, networking and partnership with organizations focused on female career advancement and professional development.

In 2022, WIN became one of four founding members of the Women's Awareness Initiative (“WAI”), a program committed to bridging the gender diversity gap in asset management in the near term. WAI was launched by MidOcean Partners, a premier New York based alternative asset manager and close partner of Churchill's. In its inaugural year, WAI attracted 19 signatories representing over \$200 billion in AUM.

Also in 2022, WIN launched the Quarterly Women's Breakfast Club series, hosted in partnership with MidOcean. This series offers compelling content shared through the lens of key speakers who use personal stories to facilitate open and authentic discussion among the women's groups at Churchill, MidOcean and close partner organizations. The 2022 first quarter session started with 50 registrants, and with extremely strong reception ultimately attracted over 250 registrants by the fourth quarter.

We are proud of WIN's partnership impact and excited to continue building new ways to empower and inspire our female talent and future generations of females in asset management.



Looking ahead





**Mickey Weatherston**

*Head of Sustainability & ESG Integration*

It is a privilege to conclude our inaugural sustainability report with a look ahead to our key goals and initiatives in the coming year. 2023 is shaping up to be a transformative and exciting year for Churchill's sustainability & ESG integration team.

With two new fund launches containing explicit criteria to promote environmental and social characteristics within the portfolio, we are advancing our ESG practices across the entire platform. This not only helps us meet new regulatory requirements, but ultimately makes Churchill a more responsible investor. The ESG rating process for all portfolio company investments will be centralized within our ESG integration team, which will now partner with the respective deal teams to assess the ESG data we receive during due diligence and how that is scored in our proprietary ESG rating tool. This helps provide a single view of ESG risks and opportunities prior to any investment decision and brings consistency to our rating process across our investment teams. We will be promoting environmental and social objectives through targeted engagement and investments in portfolio companies that display best practices across material ESG performance indicators.

We are establishing an ESG scoring system that evaluates the responsible investing practices of our partners in the middle market private equity community, which is not only important for sourcing ESG leading portfolio companies, but also a key part of the due diligence and underwriting for our LP fund investments.

Our work with Persefoni, a leading private markets carbon accounting platform, will allow us to report our attributed emissions, emission intensity and weighted average carbon intensity for all our funds and help build engagement proposals for carbon emission reduction across our portfolio. A new partnership with Upright Project furthers our data and analytical capabilities, providing net impact measurement, UN Sustainable Development Goals (SDGs) alignment and additional regulatory data estimates. We will continue to lead from the front on ESG data harmonization in private markets, championing the ESG Integrated Disclosure Project to promote consistent ESG disclosures in private credit, as well as the PRI led Private Credit-Private Equity ESG Factor Map to streamline ESG information shared in the pre-investment due diligence process.

As the sustainability linked loan market continues to develop in U.S. private credit, we continue to evaluate the best way to partner with our private equity sponsors to promote positive change across key sustainable performance targets.

Finally, we will continue to invest in our DEI initiatives, focusing on promoting diverse hiring, employee training and increasing the number of women and ethnic minorities in leadership positions. We look forward to sharing our progress throughout the year and reporting back on these important initiatives in our next report.

Thank you,

Mickey



**For more information, please visit us at [nuveen.com](https://nuveen.com)**

#### Sources

- 1 Selected as one of five finalists for Lender Firm of the Year in November 2022 by an independent panel of judges appointed by the M&A Advisor. **A nominal fee was required to submit a nomination.** Winners announced in November 2022.
- 2 Churchill was selected as a finalist for Americas Junior Lender of the Year in January 2023; after an online industry vote, Churchill was ranked third of all finalists in March 2023.
- 3 Source: Pitchbook Data's 2022 Annual Lending League Tables.
- 4 Source: <https://www.fair360.com/top-50-list/2023/>

Churchill developed its inaugural sustainability report to memorialize its responsible investing best practices and approach to corporate sustainability. Churchill is committed to delivering superior risk-adjusted returns to its clients while upholding the highest ethical standards, including certain ESG risk and opportunity factors. Responsible investing incorporates Environmental Social Governance (ESG) factors that may affect exposure to issuers, sectors, industries, limiting the type and number of investment opportunities available, which could result in excluding investments that perform well. It should not be assumed that any ESG initiatives, standards, or metrics described herein will apply to each asset in which Churchill invests or that any ESG initiatives, standards, or metrics described have applied to each of Churchill's prior investments. ESG is only one of many considerations that Churchill takes into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG initiatives described will be implemented with respect to a portfolio investment solely to the extent Churchill determines such initiative is consistent with its broader investment goals. There is no guarantee that the evaluation of ESG characteristics will be additive to a fund's performance. ESG is not a uniformly-defined characteristic, and information used to evaluate ESG characteristics may not be readily available, complete, or accurate, and may vary across providers and issuers. Because of the subjective nature of ESG integration, there can be no guarantee that ESG factors considered will reflect the beliefs or values of any particular client. ESG integration is the consideration of financially material ESG factors in support of portfolio management for actively managed strategies. Financial materiality of ESG factors varies by asset class and investment strategy. Applicability of ESG factors may differ across investment strategies. ESG factors are among many factors considered in evaluating an investment decision, and unless otherwise stated in the relevant offering memorandum or prospectus, do not alter the investment guidelines, strategy or objectives.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy, sell or hold a security or an investment strategy, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. **Investing involves risk; loss of principal is possible.** Investments in middle market loans are subject to certain risks. Please consider all risks carefully prior to investing in any particular strategy. These investments are subject to credit risk and potentially limited liquidity, as well as interest rate risk, currency risk, prepayment and extension risk, inflation risk and risk of capital loss.

Any published third-party rankings, awards or similar groupings have inherent limitations and qualifications, and are not indicative of the experience of any client or investor or of the future performance of any product described herein. There can be no assurance that the universe upon which the awards were based included all investment products within each category that are actually in operation or existence. The investment products on which the ratings were based may differ substantially in terms, objective, strategy, target risk return profile and certain other significant respects from those referenced herein. **Unless otherwise specified, all awards shown are based on the one-year period immediately preceding the date listed.**

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