

Morgan Stanley



2024 Sustainability Report

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Our Business

Morgan Stanley is a leading global financial services firm, with approximately 80,000 employees and offices in 42 countries.¹ We provide an array of products and solutions across three core business segments—Institutional Securities, Wealth Management and Investment Management.

INSTITUTIONAL SECURITIES

Institutional Securities provides a variety of products and services to corporations, governments, financial institutions and ultra and high net worth clients. Investment Banking services consist of capital raising and financial advisory services, including the underwriting of debt, equity securities and other products, as well as advice on mergers and acquisitions, restructurings and project finance. Our Markets business, which comprises Equity and Fixed Income, includes sales, financing, prime brokerage, market-making, Asia wealth management services and certain business-related investments. Lending activities include originating corporate loans and commercial real estate loans, providing secured lending facilities, and extending securities-based and other financing to clients. Other activities include research.

WEALTH MANAGEMENT

Wealth Management provides a comprehensive array of financial services and solutions to individual investors and small to medium-sized businesses and institutions. Wealth Management covers: financial advisor-led brokerage, custody, administrative and investment advisory services; self-directed brokerage services; financial and wealth planning services; workplace services, including stock plan administration; securities-based lending, residential and commercial real estate loans and other lending products; banking; and retirement plan services.

INVESTMENT MANAGEMENT

Investment Management provides a broad range of investment strategies and products that span geographies, asset classes, and public and private markets to a diverse group of clients across institutional and intermediary channels. Strategies and products, which are offered through a variety of investment vehicles, include equity, fixed income, alternatives and solutions, and liquidity and overlay services. Institutional clients include defined benefit/defined contribution plans, foundations, endowments, government entities, sovereign wealth funds, insurance companies, third-party fund sponsors and corporations. Individual clients are generally served through intermediaries, including affiliated and non-affiliated distributors.

Financial Performance

Net Revenues by Segment²

SEGMENT (USD millions)	2022	2023	2024
Institutional Securities	\$24,393	\$23,060	\$28,080
Wealth Management	\$24,417	\$26,268	\$28,420
Investment Management	\$5,375	\$5,370	\$5,861
Firmwide	\$53,668	\$54,143	\$61,761

Net Income Applicable to Morgan Stanley by Segment³

SEGMENT (USD millions)	2022	2023	2024
Institutional Securities	\$5,242	\$3,453	\$6,666
Wealth Management	\$5,139	\$5,022	\$5,888
Investment Management	\$660	\$639	\$859
Firmwide	\$11,029	\$9,087	\$13,390

For more information, see our Annual Report on Form 10-K for the year ending December 31, 2024 ([2024 Form 10-K](#)).

¹ The data included in this report is as of December 31, 2024 unless otherwise stated.

² The amounts represent the contribution of each business segment to the total of the applicable financial category and may not sum to the firmwide total presented due to intersegment eliminations.

³ Ibid.

About This Report⁴

The Morgan Stanley Sustainability Report provides an annual overview of our firm's approach to and performance on sustainability topics.

Content in this report focuses on sustainability activities across the firm in 2024. As such, information is as of December 31, 2024 unless otherwise stated. Our data, content and narrative are informed by the Sustainability Accounting Standards Board (SASB) standards for Investment Banking and Brokerage, Asset Management and Custody Activities, and Commercial Banking. The climate section is informed by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).⁵ This report's appendices on SASB and TCFD map certain Morgan Stanley disclosures related to these frameworks' indicators and recommendations. Both frameworks are now part of the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards (IFRS) Foundation. Morgan Stanley is a member of the IFRS Sustainability Alliance and monitors the standards being developed by the ISSB. We have included

an index that maps the content in this report to the recommendations of The Glasgow Financial Alliance for Net Zero (GFANZ) transition planning guidance for financial institutions.

We refer to both targets and goals interchangeably. External factors may impact the achievement of these objectives. Those factors include, but are not limited to: geopolitical, macroeconomic and market conditions; future legislation and regulations; and the attainment of targets and goals by our clients. For more information, please refer to the [Important Notices](#) section.

In addition, references throughout this Report to webpages, policies or reports (including hyperlinks) are provided for the reader's reference. None of the webpages, policies or reports referenced or discussed herein (including content accessible via hyperlinks) are deemed part of, or incorporated by reference in, this Report.

Morgan Stanley is proud to do first-class business in a first-class way. We are committed to treating our clients fairly, and to providing financial services to our clients without regard to political, social or religious viewpoints. We make our business decisions independently and based on sound business principles and applicable law.

For more information on our sustainability-related activities, visit our related websites:

- [Morgan Stanley Sustainability Publications](#)
- [Morgan Stanley Investor Relations](#)
- [Morgan Stanley Corporate Governance](#)
- [Sustainability at Morgan Stanley Investment Management](#)
- [Morgan Stanley Wealth Management Investing with Impact](#)



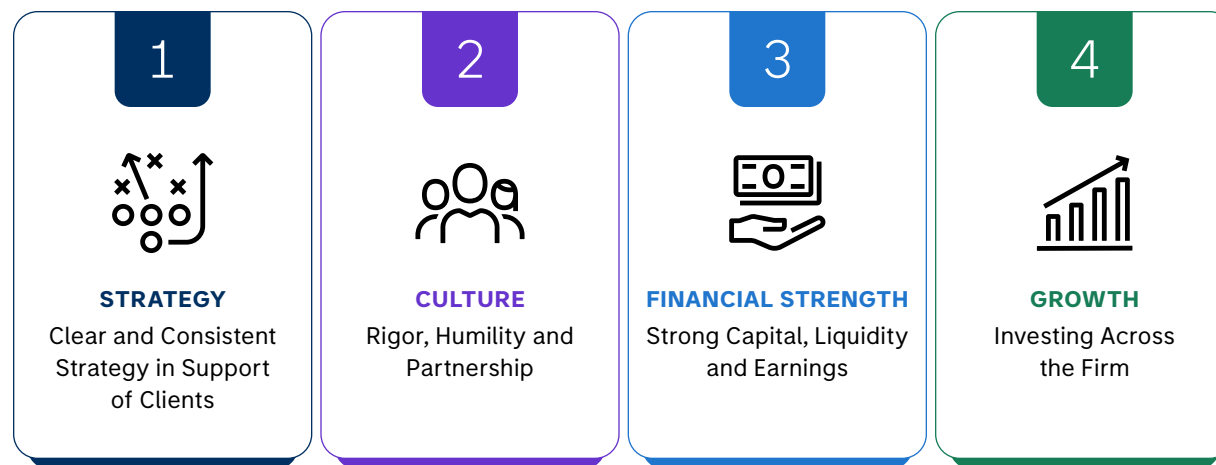
⁴ Throughout this report, we present metrics and statements, some of which are not subject to independent third-party limited assurance. Management's Assertion in the Appendix includes a complete listing of metrics that were independently reviewed by a third party. See the [Independent Accountant's Review Report](#).

⁵ Although the disclosures in this report may be considered significant or material based on disclosure recommendations and broader definitions of "materiality" used by certain voluntary frameworks and reporting guidelines or those in non-U.S. jurisdictions, this should not be read as equating to materiality as that concept is used in Morgan Stanley's periodic filings with the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Refer to the [Important Notices](#) section of the report for more information.

The Integrated Firm

Throughout 2024, teams across Morgan Stanley came together to deliver unique, integrated offerings to our clients. Our ability to deliver the Integrated Firm allows us to capture new opportunities that aim to bring positive long-term results not only to our clients and shareholders but also to the environment and society.

Four Pillars of Morgan Stanley: The Integrated Firm



CASE STUDIES

Pension Fund Solution: The Equities team, the Global Sustainability Office (GSO) and the Quantitative Investment Strategy Research team partnered to help a large pension fund that wanted to combine a traditional equity factor investment strategy with one that invested in “high-impact” companies transitioning toward net-zero carbon emissions.

Geospatial Digital Application: The Fixed Income, GSO and Research teams partnered to enhance digital applications across the firm, including live hurricane tracking in our proprietary geospatial application. The application helped enable users to track potential impacts to real asset portfolios during an active 2024 hurricane season.

“

Guided by our culture and core values, Morgan Stanley takes an integrated approach to creating sustainable value for our clients, shareholders, communities and employees.

Ted Pick

Chairman and Chief Executive Officer, Morgan Stanley

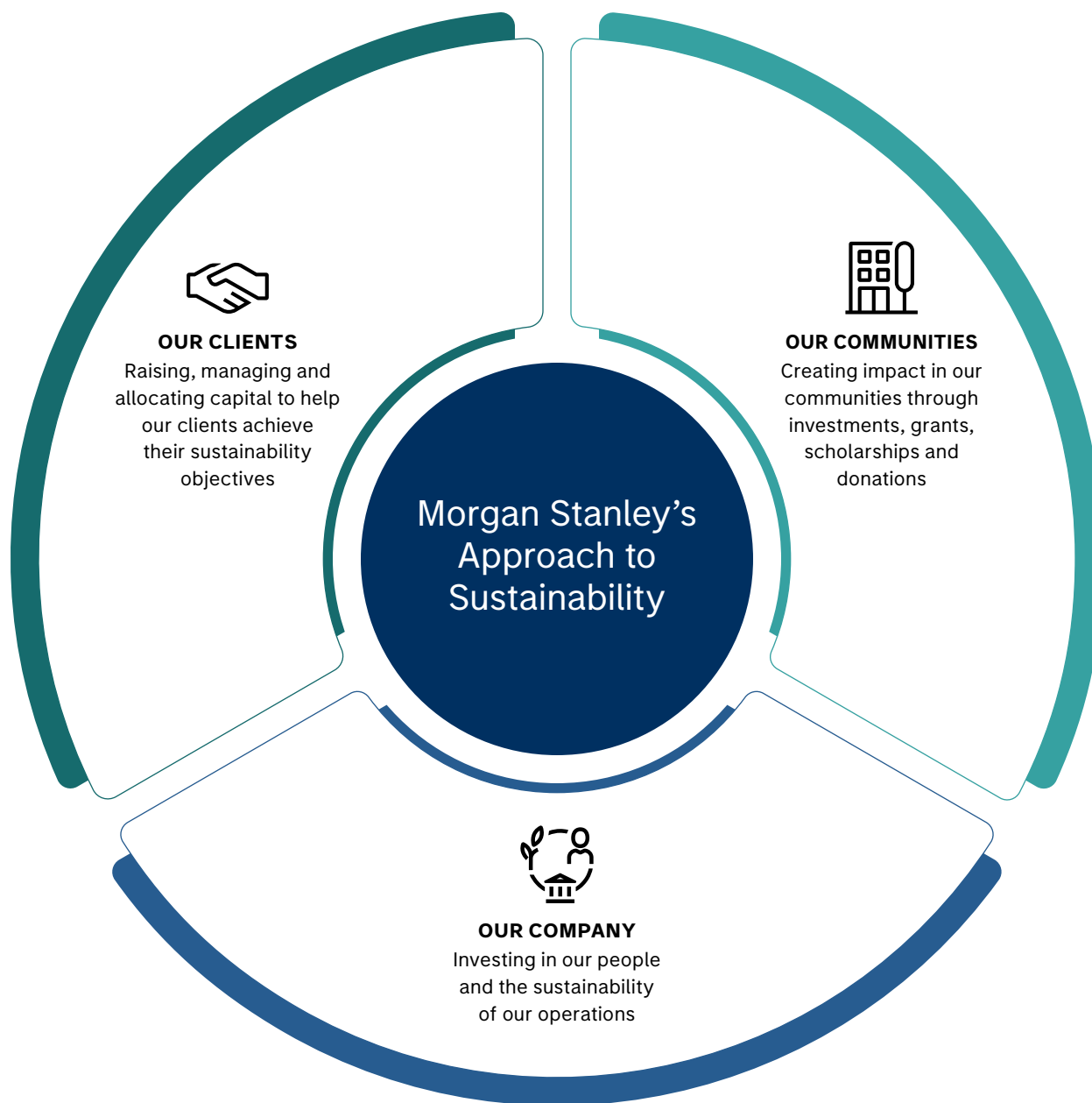


Our Approach to Sustainability

At Morgan Stanley, we raise, manage and allocate capital to help our clients achieve their sustainability goals.

In support of the Integrated Firm, we work to ensure that relevant sustainability topics are embedded in our corporate policies, business activities and operations. In this report, the topics we highlight include:

- Sustainable Finance
- Our Workforce
- Climate
- Impact in Our Communities
- Governance and Risk Management





SUSTAINABLE FINANCE

In 2021, Morgan Stanley set a goal to mobilize \$1 trillion for sustainable solutions by 2030, including \$750 billion toward low-carbon and green solutions. We have made significant progress toward that goal and have mobilized over \$815 billion, as of December 31, 2024.⁶ Morgan Stanley's three business segments—Institutional Securities, Wealth Management and Investment Management—contribute to our sustainable finance target and enable us to offer a broader range of sustainability-related products and solutions to clients.

OUR WORKFORCE

Our efforts are anchored in our core values—Do the Right Thing, Put Clients First, Lead with Exceptional Ideas, Commit to Diversity and Inclusion, and Give Back—and designed to support the development, growth and mobility of our global workforce. By focusing on the needs of our people, we aim to attract and retain exceptional talent that represents all backgrounds and a wide range of skills and experiences. We believe a workforce that reflects the societies in which we live and work, and our global client base, is integral to Morgan Stanley's continued success.

CLIMATE

The financial services sector plays an important role in mobilizing the trillions of dollars in capital required to transition to a low-carbon economy. In 2024, we updated our 2030 interim financed emissions targets to strike an appropriate balance between being ambitious and realistic about present near-term global challenges.⁷ We remain focused on net-zero and we will continue to engage with clients on climate transition strategies to help them succeed as the world moves to net-zero emissions by 2050. Additionally, we continue to maintain carbon neutral status.⁸ We also incorporate physical and transition climate risks into the firm's risk management and governance processes.

IMPACT IN OUR COMMUNITIES

Morgan Stanley aims to create a more inclusive and sustainable society for future generations by working to advance health, education, financial inclusion and sustainability. We have developed various teams and initiatives across the firm to drive impact in these areas, including Community Development Finance, Community Affairs, the Institute for Inclusion, the Institute for Sustainable Investing and Inclusive & Sustainable Ventures.

GOVERNANCE AND RISK MANAGEMENT

Strong governance and risk management are critical to the long-term success and sustainability of the firm and to fostering trust among our clients and stakeholders. The Board of Directors (the "Board") oversees the firm's strategy and regular sustainability updates are provided to the Board's Governance and Sustainability (G&S) Committee.

⁶ See the [Sustainable Finance](#) section of this report for more information.

⁷ [Morgan Stanley's 2030 Interim Financed Emissions Targets](#), October 2024.

⁸ See the [Maintain Carbon Neutral Status](#) section of this report for more information.

2024 Sustainability Highlights⁹

OUR CLIENTS

We raise, manage and allocate capital to help our clients achieve their sustainability goals

\$815Bn+

in capital mobilized toward our goal of **\$1Tn** by 2030, including **\$620Bn+** in low-carbon and green solutions¹⁰

INSTITUTIONAL SECURITIES

\$90Bn+

in ESG-labeled debt¹¹ transactions in 2024*

WEALTH MANAGEMENT

~\$89Bn

in client assets invested in products on our Investing with Impact Platform (IIP)*

INVESTMENT MANAGEMENT

\$55Bn+

in AUM with sustainability features*¹²



Refreshed our 2030 interim net-zero decarbonization targets (for Power, Energy and Auto Manufacturing) and set new targets for three additional sectors in our corporate lending portfolio: Aviation, Chemicals and Mining¹³

OUR COMPANY

We invest in our people and the sustainability of our operations



Maintained **carbon neutral status**¹⁴ and **procured 100% renewable electricity**



Announced a 10-year agreement with Climeworks to **remove 40,000 tons of CO₂** from the air



Signed a 5-year agreement with World Energy to purchase **sustainable aviation fuel certificates**



Launched **enhancements to our Performance Management Practices** to create a more transparent and interactive career growth experience for all our employees worldwide

OUR COMMUNITIES

We create impact in our communities through investments, grants, scholarships, volunteering and donations

\$3Bn+

in Community Reinvestment Act (CRA) qualified community development loans and investments in 2024*

\$110MM+

donated by the firm and its charitable foundations in 2024

3.1MM

employee hours volunteered during Global Volunteer Month since its inception in 2006

52MM+

reached by the Morgan Stanley Alliance for Children's Mental Health since its inception in 2020

\$30MM+

capital allocated to companies and organizations through Inclusive & Sustainable Ventures since 2018*¹⁵

⁹ Unless stated otherwise, data on this page is as of December 31, 2024.

¹⁰ See the [Sustainable Finance](#) section of this report for more information.

* All or a portion of the assets represented by this metric have been counted toward the firm's [Sustainable Finance Target](#).

¹¹ Debt instruments that seek to achieve certain environmental and/or social criteria, such as Green, Social, Sustainability, and Sustainability-linked instruments.

¹² This AUM figure includes funds and mandates with at least one of the following sustainability features: 1. impact objectives, 2. sustainability theme objectives, 3. tilts based on sustainability factors, 4. low-carbon or net-zero commitments. Parametric Portfolio Associates LLC AUM is not currently included in this figure.

¹³ See the October 2024 publication of [Morgan Stanley's 2030 Interim Financed Emissions Targets Report](#) for more information.

¹⁴ See the [Maintain Carbon Neutral Status](#) section of this report for more information.

¹⁵ Data as of February 2025.

Sustainable Finance

Morgan Stanley’s three business segments aim to support our clients’ sustainability objectives by driving innovation across global capital markets. We strive to be the financial services partner of choice for our clients by offering solutions and advisory services designed to deliver competitive returns and environmental or social outcomes.



Morgan Stanley—representing two joint venture companies in Japan—won Euromoney’s **“Best Bank for ESG in Japan”** Award in 2024.

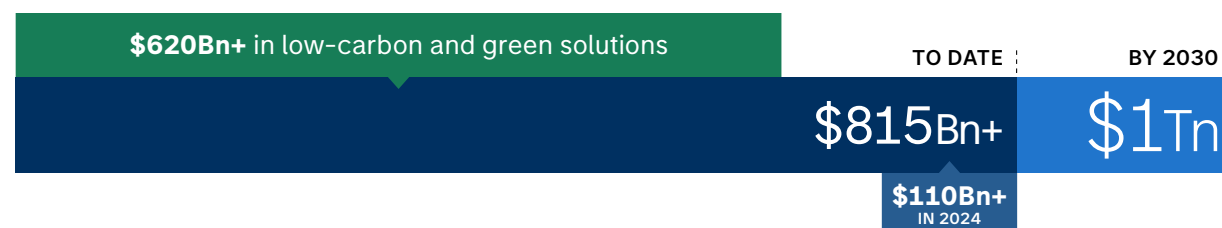
In 2024, Morgan Stanley was awarded **“Best Bank for Sustainable Finance”** by ESG Investing.

We received the Euromoney award in 2024 for **“Best Private Bank for Sustainability in North America”** for our work on impact reporting.

¹⁶ This compares to over \$820 billion disclosed as of year-end 2023.

Sustainable Finance Target

Across our businesses, we continue to progress toward our target of mobilizing \$1 trillion in sustainable finance by 2030.



As of year-end 2024, we have mobilized over \$815 billion¹⁶ in sustainable finance through our commercial work with clients and strategic partners. This includes a reduction of \$120 billion from prior years due to a detailed review of historical transactions, which has been partially offset by over \$110 billion of progress in 2024.

Our Sustainable Finance Framework (the “Framework”), which is maintained by GSO and evaluated on an annual basis, guides our progress toward our 2030 \$1 trillion sustainable finance target and \$750 billion low-carbon and green subset. Our Framework and methodology described below are developed and evaluated in consideration of market practices and global frameworks, such as the United Nations Sustainable Development Goals (UN SDGs) and the International Capital Markets Association’s (ICMA) Green and Social Bond Principles.

Relevant business units and committees across the firm review the Framework to ensure it remains aligned with our firmwide sustainability priorities and changes in our business activities and products. Additionally, the underlying data is subject to internal review and verification. Business segments, units and programs contributing to the target include Investment Banking, Global Capital Markets, Fixed Income, Investment Management, Wealth Management, Community Development Finance and Inclusive & Sustainable Ventures.

See the next two pages to learn about the business activities that make up the eligible themes and products included under the Framework.



Sustainable Finance Framework: Eligible Themes and Activities

TARGET CATEGORIES		THEMES	ELIGIBLE ACTIVITIES
Sustainable Finance Target (\$1 trillion)	Low-Carbon and Green Solutions (\$750 billion subset)	 Clean Energy	Renewables • Alternative Low-Carbon Fuels • Battery Storage, Grid Reliability/Flexibility • Carbon Capture, Utilization and Storage Technology • Waste-to-Energy • Nuclear Energy
		 Clean Mobility	Electric Vehicles • Low-Carbon Transportation, Transportation Technologies or Infrastructure • Mass Transit
		 Energy and Operational Efficiency	Green Buildings • Energy Efficient Infrastructure and Retrofits • Low-Carbon Materials (Green Steel, Green Cement, etc.) • Operational Process Efficiency
		 Carbon Reduction and Removal	Carbon Sequestration and Offsets • Carbon Removal Technologies and Solutions • Other technologies and projects with direct GHG emissions reductions
		 Climate Adaptation	Development and maintenance of infrastructure, ecosystems and/or information systems that respond to climate change impacts (existing and potential)
		 Other Environmental Solutions	Sustainable Food and Farming • Water and Wastewater Management and Efficiency • Sustainable Natural Assets and Biodiversity • Circular Economy • Pollution Prevention and Control (including plastic waste)
	Social	 Affordable Housing	Affordable Housing
		 Basic Infrastructure	Water, Sewage and Sanitation • Transportation Access • Affordable Clean Energy Access • Telecommunications Access • Public Spaces • Humanitarian and Disaster Response
		 Diversity and Inclusion	Diversity and Inclusion
		 Education and Training	Education • Child Care • Vocational Training
		 Financial and Economic Inclusion	Access to Financial Services (individuals and small businesses) • Job Creation
		 Health and Wellness	Access to Preventive, Medical and Mental Health Care • Access to Food and Nutrition • Elder Care • Safety Technologies

Note: Eligible transactions and investments will have passed all firm policies and procedures.

Unless otherwise noted, eligible business transactions and direct investments may be either ESG-labeled (i.e., having designated use of proceeds or key performance indicators aligned with eligible themes), entity-based (i.e., transactions without a designated use of proceeds, but that support a client entity that has at least 90% of revenue or a primary product or service aligned with eligible themes or that is a certified B Corporation or Public Benefit Corporation) or specifically eligible under certain programs, such as the U.S. Community Reinvestment Act or Morgan Stanley's Inclusive &

Sustainable Ventures. Eligible investments may also include strategies incorporating certain sustainable or impact investing criteria. Only client products, investments and grants from Morgan Stanley and the firm's consolidated subsidiaries are in scope, as outlined in the table below.

To calculate cumulative progress toward our goal, we reflect the full transaction value for eligible financing, facilitation and advisory activities (as opposed to the proportional value attributable to Morgan Stanley) in most instances to remain consistent with the approach we've taken since

establishing our low-carbon financing target in 2018. However, we reflect the firm's commitment amounts for term-loan and revolver-lending facilities and do not include transactions in which Morgan Stanley served as a co-manager for our Global Capital Markets business or did not receive industry league table credit for our Public Finance business. For all eligible investment strategies distributed or managed, we reflect client assets or assets under management by Morgan Stanley as of December 31, 2024, which include changes due to asset flows and market performance during the calendar year.¹⁷

CATEGORY	IN-SCOPE PRODUCTS
Financing	Term Loans and Revolvers (new capital only)
	Tax Equity
Facilitation	Equity Capital Markets
	Debt Capital Markets
	Syndicated Lending
	Munis (ESG-labeled only)
	Securitized Products (ESG-labeled only)
Advisory	Sell-side and buy-side M&A
Commodities	Renewable power hedges and offtake agreements (e.g., PPAs)
	Trading to enable retiring of renewable energy certificates (RECs)
	Trading to enable retiring of verified, voluntary carbon offsets across physical products
Investments (managed, distributed or held)	Direct investments
	Investment funds
Select Grants	Morgan Stanley Sustainable Solutions Collaborative grants
	CRA-eligible donations and grants

¹⁷ We do not include AUM by Parametric Portfolio Associates LLC.

2024 Sustainable Finance Transaction Highlights

\$940MM

Co-Structuring Advisor and Lead Left Bookrunner on Switch's \$940MM data center green securitization. Switch differentiates itself with innovative technology to achieve high levels of energy efficiency and renewable energy sourcing.

€500MM

Joint Bookrunner on Heidelberg Materials' €500MM 7-year green bond, advancing the company's progress toward its target of increasing the share of sustainable finance instruments to over 70% by 2025. Heidelberg is one of the world's largest integrated manufacturers of building materials and solutions with leading market positions in cement, aggregates and ready-mixed concrete.

\$1Bn

Global Coordinator on Raízen's \$1Bn green Note with proceeds supporting the development and energy efficiency of biofuel production facilities.

€550MM

Global Coordinator and Active Bookrunner on Saur Group's €550MM blue bond issuance, the first ever blue bonds issued for a water services company, aimed at protecting and restoring water resources.

\$4Bn

Joint Bookrunner and Billing and Delivery Agent on the European Investment Bank's \$4Bn Global Climate Awareness Bond, with the use of proceeds allocated for lending projects such as resource efficiency as well as pollution prevention and control.

\$1Bn

Active Bookrunner and Billing and Delivery Agent on Verizon's \$1Bn green bond issuance with the net proceeds dedicated to advancing renewable energy and modernizing U.S. electrical grids.

\$800MM

Sole Advisor to Intersect Power during the negotiation of their strategic long-term agreement with Google and TPG Rise Climate to deliver multiple gigawatts of renewable power and storage to new data centers across the U.S. Morgan Stanley also served as sole advisor on a concurrent equity capital raise of more than \$800MM, led by TPG Rise Climate and Google.

€3.2Bn

Sole financial advisor to Terna Energy on its acquisition by Masdar at a €3.2Bn Aggregate Value. This was the largest transaction in Greece's energy and utilities space as of December 2024.

~\$440MM

Lead Joint Bookrunner on the U.S. IPO of Zeekr, the largest China ADR IPO since July 2021.¹⁸ Zeekr is primarily engaged in the R&D and sales of battery electric vehicles, batteries and other components of new energy vehicles.

¹⁸ As of the time of this transaction.

Institutional Securities

Institutional Securities uses the scale and speed of capital markets to support our clients and help them meet their sustainability objectives. Morgan Stanley's long-standing sustainable finance expertise enables the firm to deliver superior and innovative advice and solutions for clients.

SUSTAINABILITY IN NUMBERS

In 2024, we supported:

\$90Bn+
in ESG-labeled debt transactions*



* All or a portion of the assets represented by this metric have been counted toward the firm's [Sustainable Finance Target](#).



Investment Banking and Global Capital Markets

Our Investment Banking and Global Capital Markets teams collaborate with relevant parts of the firm on key topics, such as electrification and the energy transition, which continue to be areas of focus for our corporate and investor clients, shareholders and regulators. Since 2020, our Sustainability Center of Excellence has coordinated and driven the expansion of client-focused sustainability activities across the Investment Bank. The Sustainability Center of Excellence brings together senior leaders from Investment Banking, Global Capital Markets, and our Markets business, who aim to deliver the Integrated Firm approach to clients through best-in-class leadership in capital raising and sustainability advisory solutions.

As part of our broader commitment to client engagement, Morgan Stanley hosts several

sustainability-focused conferences, such as our annual Sustainable Leadership Summit (see the [Stakeholder Engagement](#) section). The firm also generates opportunities for private markets clients to present their climate and decarbonization-focused solutions to potential investors. In 2024, Investment Banking and Global Capital Markets hosted its fourth annual climate-focused Spark Sustainability Conference in New York and the inaugural Disruptors Day Conference in London to share relevant ideas and solutions with private market clients.

Equity and Fixed Income

Our Markets business is comprised of our Institutional Equity Division (IED) and our Fixed Income Division (FID). IED continues to provide asset managers, asset owners and corporate clients with customized sustainability solutions. Our suite of offerings includes thematic and stock-specific investment

ideas, events, capital raises for fund launches, hedging solutions, thematic baskets, corporate access and more.

Within FID, the Securitized Products Group works with global alternative investment managers looking to integrate sustainability data and climate risk considerations into their investment framework for the management of collateralized loan obligation transactions.

The Commodities team makes markets and structures bespoke environmental solutions to meet the needs of its institutional and corporate clients. Morgan Stanley is an active participant in the purchase and sale of carbon allowances, carbon credits, renewable energy certificates and other environmental commodities on behalf of our clients and the firm. In 2024, the Commodities team structured hedging transactions and offtake agreements involving more than 15 million MWhs of electricity generated from renewable sources, including wind, solar and hydroelectric facilities.*

The Public Finance Group has been a leader in the ESG-labeled U.S. municipal and not-for-profit bond market for over a decade. Through underwriting senior managed green, social and sustainability bonds, we help bring environmental and social benefits to communities. In 2024, the Public Finance Group served as underwriter across thematic areas, including affordable housing, climate resilience, educational facilities, renewable energy and transportation. As part of this process, we worked with municipal issuers to enhance disclosure on green, social and sustainability bond transactions in line with the ICMA Principles and Guidelines. We also led affordable housing financings in California, Connecticut, Illinois, Iowa, Maryland, Massachusetts, New York, Oregon, Rhode Island and Vermont.

* All or a portion of the assets represented by this metric have been counted toward the firm's [Sustainable Finance Target](#).

Research

Morgan Stanley Research supports the firm's clients by conducting research on sustainable investing themes and trends. The Global Sustainability Research team leads this work, collaborating with our strategists, economists and analysts to provide actionable information to clients. In 2024, the team's research included:

- **Collaboration with stakeholders across Global Research** to publish on key areas of investor focus, such as energy transition, nuclear renaissance, AI infrastructure, supply chain sustainability, health care, carbon markets, and quantitative investment strategies.
- **Publication of quarterly Sustainability Stock Ideas**, which are regional lists of preferred stocks with exposure to themes such as energy transition, resource management and efficiency, wellbeing, social, and supply chain.
- **Thought leadership on the sustainability implications of AI infrastructure**, including the power requirements, emissions intensity and ethical considerations of data centers.
- **Analysis of the ESG-labeled bond market** to help investors understand issuance and pricing trends, new structures, and potential implications on credit.
- **Assessment of regulatory developments** affecting sustainable investing, with timely analysis and forward-looking expectations.
- **Continued publication of our proprietary Sustainable Solutions Interactive tool**, which includes estimates for sustainable revenue and capex across stocks under Morgan Stanley coverage.
- **Quarterly analysis of sustainable fund flows** to help investors understand where sustainability AUM is being allocated.
- **Engagement with external experts on several key sustainability topics** to provide investors with opportunities to meaningfully discuss power transmission, artificial intelligence, data centers, regulation, biodiversity and decarbonization technologies with leading experts.



Wealth Management

For more than a decade, Morgan Stanley Wealth Management's Investing with Impact Platform (IIP) has provided our clients with a comprehensive suite of offerings, including investment products and portfolio solutions, thought leadership, and tools and analytics. Our mission is to help clients align their portfolios with their sustainability preferences while striving for competitive performance.

Our Three I's of Impact Investing Model

SUSTAINABILITY IN NUMBERS

~\$89Bn

in client assets¹⁹ invested in 420+ investment products included on the IIP*

>328,000

clients served by the IIP

Investing with Impact's Approach to Sustainable and Impact Investing

In 2012, Morgan Stanley was the first major financial institution to launch a Wealth Management platform dedicated to providing sustainable and impact investing options for our clients. Today, the IIP has achieved widespread adoption across our Wealth Management Financial Advisors. For further detail on our IIP, see our [website](#).

INTENTIONALITY

Intentional investment process that seeks to generate market-rate returns alongside positive social and environmental impact in one or more of the following ways:

← MINIMIZE OBJECTIONABLE IMPACT

Restriction Screening

Reduce or seek to eliminate exposure to companies that detract from intended positive impacts

ESG Integration

Consider environmental, social and governance factors in the investment process

→ GENERATE TARGETED IMPACT

Thematic Solutions

Evaluate companies on revenue generated from products & services that seek to contribute to sustainability solutions

INFLUENCE

Modify the behavior of portfolio companies to seek better social and environmental outcomes and drive industry capabilities through:

Active Ownership can be achieved through management dialogue, strategy setting, proxy voting, resolution filing and filling board seats

Market Building seeks to influence the industry through collaborative affiliations and adopting global frameworks

INCLUSION

Diverse perspectives can help guide the intentional investment process and engagement activities, or influence, through:

Diverse Firm Ownership²⁰

and/or

Diverse Representation Across Investment Professionals

Our approach to sustainable and impact investing for Wealth Management clients is guided by our Investing with Impact Framework. The Three I's of Impact—Intentionality, Influence and Inclusion—inform our due diligence and manager selection process, portfolio

construction, and tools and analytics, including Morgan Stanley IQ®, Impact Signal and DEI Signal. All 420+ Investing with Impact strategies address one or more of our Three I's of Impact.

* All or a portion of the assets represented by this metric have been counted toward the firm's [Sustainable Finance Target](#).

¹⁹ This AUM includes all investments in products included on the IIP. Investment Products on the IIP are evaluated for their financial integrity, along with the potential for achieving measurable environmental and/or social outcomes by Morgan Stanley's Global Investment Manager Analysis team and are available to Morgan Stanley Wealth Management clients.

²⁰ Morgan Stanley's Global Investment Manager Analysis team defines diverse asset managers as those with 33% or greater ownership by women and/or racially/ethnically diverse individuals. The categories that make up the racially/ethnically diverse individuals as defined by Morgan Stanley align with the U.S. Equal Employment Opportunity Commission categories and include: Hispanic or Latino, Black or African American, Asian, American Indian or Alaska Native, or Native Hawaiian or other Pacific Islander.

Investing with Impact Solutions

In 2024, nearly \$89 billion in client assets* was invested in 420+ investment products included on the IIP. Investments cover a variety of asset classes, including off-the-shelf and custom Portfolio Solutions, ETFs, mutual funds, separately managed accounts, alternative investments, green, blue, social and sustainability-linked bonds. Shaped directly by the priorities of our clients, these solutions cover multiple impact themes such as climate action, societal inclusion and faith-based investing.

PUBLIC EQUITY AND FIXED INCOME			PRIVATE MARKETS
420+ Third-Party Investments	12+ Investing with Impact Portfolio Solutions	Sustainable Capital Market Solutions	Alternative Investments
- Exchange-Traded Funds (ETFs) - Mutual Funds (MFs) - Separately Managed Accounts (SMAs)	- Single-Stock Portfolios - Multi-Asset Class Portfolios - Custom Solutions/ Outsourced Custom Investment Office - MS Global Impact Fund Trust (MS GIFT) Donor-Advised Fund	- Green, Blue, Sustainability and Social Bonds - Sustainable Structured Products	- Venture Capital, Private Equity, Private Credit and Real Assets - Hedge Funds - Custom Impact with Morgan Stanley Investment Management Alternative Investment Partners

Wealth Management Impact Themes

Our Wealth Management Investing with Impact tools and investable solutions are shaped by the personal investment priorities of our clients. Each capability reflects a commitment to mobilizing capital in alignment with clients' unique values and goals. Our resources and solutions are designed to support Financial Advisors in helping clients define their objectives and incorporate investment strategies that reflect what matters most to them.

Climate Action

Our Climate Action Investing Toolkit helps our Financial Advisors navigate the range of available investment strategies and engage with interested clients on the risks and opportunities of climate action investing. Alongside our tools and analytics, these resources can help clients define a set of climate action goals and work with their Financial Advisor to incorporate investment products based on their unique objectives. Clients can also add screens to their existing portfolios to minimize their exposure to carbon-intensive industries or companies with documented environmental controversies.

Diversity and Inclusion (D&I)

We partner with clients to support their personal D&I investment priorities and mobilize capital to advance their own D&I goals. Clients can also access our firm Discretionary Portfolio Solutions (Diversity Portfolios) which, for example, select managers

who invest in companies whose products and solutions support diverse communities, such as investments in low-income housing, and managers who engage with portfolio companies through active shareholder dialogue on D&I issues. The Diversity Portfolios include a charitable donation based on assets raised to organizations advancing D&I.²¹

Faith

Faith-based investing includes the management of investments as an extension of faith and often complements other activities, such as philanthropic giving. Our Catholic, Christian and Jewish values Investing Toolkits help Financial Advisors navigate investment and educational resources. We also offer our clients a combination of dedicated investment products and the ability to add screens to their existing portfolios to further align their portfolios with their faith.

* All or a portion of the assets represented by this metric have been counted toward the firm's [Sustainable Finance Target](#).

²¹ A minimum/maximum of \$150,000/\$500,000 will be donated to qualifying non-profit organizations advancing D&I. Annual donation amounts are based on assets raised, funded by Morgan Stanley Wealth Management, and are not derived from fund assets. Nonprofit organizations will be vetted by a committee designated by Morgan Stanley Philanthropy Management.

Investing with Impact Tools and Analytics

Morgan Stanley Impact Quotient® Impact Reporting

Morgan Stanley IQ® is our proprietary, award-winning²² and patented²³ application that enables clients to define their impact objectives in an impact profile, assess their current portfolio alignment and work with their Financial Advisor to seek to improve portfolio alignment over time. The application provides clients with a comprehensive reporting menu of more than 110+ environmental and social metrics across nine impact themes. In 2024, ~\$59 billion in client assets had a Morgan Stanley IQ® impact profile.

Morgan Stanley IQ® analytics also power the reporting on our Investing with Impact Portfolio Solutions suite.

Manager-Scoring Tools

We offer two proprietary quantitative manager-scoring tools that Financial Advisors use to help clients select investment opportunities. Impact Signal is powered by Morgan Stanley IQ® analytics to quantitatively assess investment strategies on the strength of their environmental and social impact. DEI Signal helps identify investment managers who are industry leaders in diversity policies and practices.



Philanthropy Management: Morgan Stanley Global Impact Funding Trust, Inc.

Morgan Stanley Global Impact Funding Trust, Inc. (MS GIFT) is a dedicated platform for donor-advised funds, offering a thoughtful and tax-advantaged way to support the charities and causes that matter most to our clients. In 2024, MS GIFT donors issued over \$1.3 billion in grants to charities across a range of sectors, including education, climate, health care, human services and the arts.

The potential for positive impact through a donor-advised fund goes beyond grants made to charitable organizations, because assets have the potential to grow tax-free while aligning with the donor's values. Portfolio Solutions and funds from the Investing with Impact Platform are also available through MS GIFT. See our [website](#) for further details.

²² Best private bank, ESG technology, North America, 2021 PWM Wealth Tech Awards, <https://pwmwealthtechawards.com>

²³ U.S. Pat. No. 11,188,983

Investment Management

Morgan Stanley Investment Management (MSIM)²⁴ is a client-centric organization dedicated to providing investment and risk management solutions to a range of investors and institutions worldwide. We seek to deliver long-term value for our clients, which guides our approach to sustainable investing.

SUSTAINABILITY IN NUMBERS

\$55Bn+

in AUM with Sustainability Features^{25*}

MSIM Approach to Sustainable Investing

We believe sustainability factors can present investment risks and opportunities which, when properly understood and managed, allow us to both mitigate risk and generate long-term investment

returns. Engagement and stewardship are a key part of this process, in which investment teams seek to engage, as appropriate, with the assets or companies they own with the aim of delivering long-term value and aligning with our objective of being a responsible steward of client capital.

To support the delivery of tailored, value-added investment solutions to clients, MSIM has a decentralized approach towards investment management, consisting of independent public and private markets investment teams and asset class platforms. This decentralized investment approach allows investment teams to be responsible for, tailor and develop individual approaches to sustainable investing across multiple factors. Investment teams assess the potential financial materiality of sustainability-related risks and opportunities, as appropriate, for each investment strategy. Our approach to sustainable investing aims to deliver in three main areas:

- 1 Deliver Global Depth and Breadth in Sustainable Investing Expertise**
- 2 Offer Clients a Spectrum of Flexible and Innovative Sustainable Investing Solutions**
- 3 Maintain Effective Stewardship Standards**



²⁴ MSIM refers to the investment management business segment of Morgan Stanley and is composed of a number of wholly owned subsidiaries of the firm.

²⁵ This AUM figure includes funds and mandates with at least one of the following sustainability features: 1. Impact objectives, 2. sustainability theme objectives, 3. tilts based on sustainability factors, 4. low-carbon or net-zero commitments. Parametric Portfolio Associates LLC AUM is not currently included in this figure.

* All or a portion of the assets represented by this metric have been counted toward the firm's [Sustainable Finance Target](#).

Deliver Global Depth and Breadth in Sustainable Investing Expertise

Within certain MSIM investment teams, we have designated sustainability specialists or individuals responsible for particular aspects of sustainability. The MSIM Sustainability team and other centralized resources support these efforts, as discussed in our [Sustainable Investing Policy](#).

Our investment teams incorporate the assessment of potential financially material sustainability-related risks and opportunities into investment decision-making processes, as appropriate, and according to investment teams' particular investment strategies. Incorporation of such sustainability-related risks and opportunities may occur at various stages of the investment lifecycle, including due diligence and research, valuation, asset selection, portfolio construction, and ongoing engagement and investment monitoring.

MSIM's investment teams seek to leverage their assessment of sustainability-related risks and opportunities, along with other relevant information, in a manner that is aligned with the specific investment philosophy, asset class and time horizon of a given strategy or product.

Offer Clients a Spectrum of Flexible and Innovative Sustainable Investing Solutions

We offer clients a range of sustainable investing solutions across asset classes in actively and passively managed vehicles that seek to align clients' return objectives with their sustainability preferences, as appropriate.

PRIVATE EQUITY CLIMATE FUND

1GT is a private equity fund focused on climate change mitigation. It invests in private, growth-stage companies that seek to collectively avoid or remove one gigaton of carbon dioxide-equivalent emissions from the Earth's atmosphere from the date of investment through 2050. 1GT seeks to deliver attractive financial returns alongside considering its substantial climate goal by backing companies across the hard-to-abate mobility, power, sustainable food and agriculture, and circular-economy sectors.

MSIM held the final close of 1GT at \$750 million of equity capital commitments in 2024. Examples of 1GT's investments to date include: Instagrid, a provider of clean and portable power; AMCS, a leading sustainability software platform enabling the circular value chain; and XOCEAN, a provider of un-crewed surface vessels for ocean data collection. MSIM's 1GT platform also won the 2024 Insurance Asset Risk's Investment Innovation Award²⁶ for the third year in a row.

For more information on 1GT and its portfolio, visit our [website](#).

Maintain Effective Stewardship Standards

MSIM has a duty to be good stewards of our clients' capital. We fulfill this duty by seeking to engage with selected companies in which we invest, and by exercising our proxy voting and other rights as shareholders. These stewardship activities give us the opportunity to help guide companies in which we invest toward better sustainability and governance practices, which we believe may contribute to producing attractive returns for our clients over the long-term.



MSIM Sustainability Team

Led by MSIM's Global Head of Sustainability, the MSIM Sustainability team supports the business unit's collective sustainability-related processes and governance and works with the sustainability leads from our investment teams to coordinate global sustainable investing and stewardship initiatives, as appropriate. Sustainability leads from our investment teams work to support incorporation of sustainability factors where relevant and in line with each team's investment philosophy and strategy. MSIM's Global Stewardship function, which is part of the MSIM Sustainability team, helps investment teams coordinate MSIM proxy voting and investee engagement activities.

For more information, see the [Sustainable Investing Policy](#).

²⁶ <https://www.insuranceassetrisk.com/content/awards/insurance-asset-risk-awards-2024-uk-and-europe/winners/investment-innovation-of-the-year-morgan-stanley-investment-management.html>

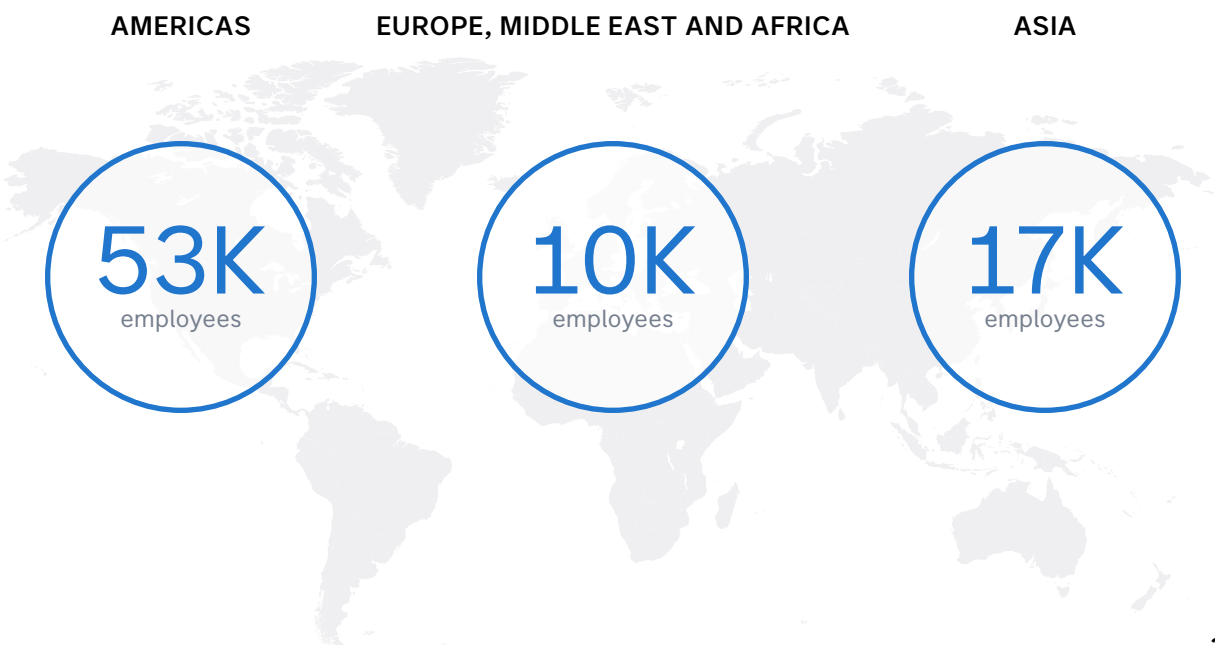
Our Workforce

Built on our core values and our focus on driving the Integrated Firm, our workforce strategy powers Morgan Stanley's ability to ensure our colleagues thrive, while delivering best-in-class support to our clients.

To power the firm's ability to deliver for our clients, we continue to invest in our firm's most valuable asset, our talent. To do so, we are focused on building, developing and investing in a world-class workforce by attracting strong talent at all levels while providing opportunities for employees to grow and thrive.



Our Global Workforce²⁷



²⁷ As of December 31, 2024. For further details on our workforce representation, see pages 11-12 of our [2024 Form 10-K](#).

Building Our Workforce

Morgan Stanley's recruitment efforts are driven by our commitment to attract top talent across a variety of disciplines.

With a global presence and a reputation for excellence in the financial services industry, Morgan Stanley applies a multifaceted approach to recruitment that connects us with candidates at all levels of their career journey. We partner closely with colleges and universities, professional and community-based organizations, job boards and digital platforms to identify and cultivate prospective candidates. We also engage with candidates through career fairs, events and conferences. Individuals at all levels and from all backgrounds contribute to Morgan Stanley's dynamic work environment. Through rigorous and tailored selection processes, and comprehensive training and development programs, we build a workforce equipped to tackle the challenges of the ever-evolving financial landscape and drive tangible results for clients.

Developing Our Workforce

At Morgan Stanley, we are deeply committed to the continuous growth and development of our employees.

A robust performance management process enables goal-setting, supports feedback, and empowers our colleagues to take ownership of their professional journey. We provide access to an extensive catalog of professional development resources, and self-guided courses to meet a wide range of needs and interests. In addition, we offer structured professional development programs to support employees at various stages of their careers.

Investing in Our Workforce

At Morgan Stanley, employees have access to an array of resources to support their personal and professional wellbeing. From comprehensive benefits to our employee networks, we prioritize the needs of our people to ensure they thrive.

We deliver these opportunities through a variety of offerings, including a competitive rewards program, award-winning benefits, and a wealth of intellectual capital and thought leadership resources. Supporting the diverse backgrounds and perspectives of our employees is central to our culture of belonging—one that encourages innovation and values the rich heritage and global viewpoints our colleagues bring to work each day.

Compensation

Our compensation programs are designed to attract, retain and motivate top talent, and are driven by a philosophy that focuses on responsibility, rewarding sustainable performance, aligning pay with shareholder interests and supporting long-term success.

Health and Wellbeing

The health and wellbeing of our workforce is critical to the firm's success, and we are committed to providing resources that help our employees and their families thrive. To ensure we address the needs of our global population, we have a three-pronged



wellbeing strategy—awareness, prevention and access to quality care—that is informed by employee feedback, program outcomes, benchmarking and research. This translates into a comprehensive benefits and engagement program that supports the physical, mental and financial wellbeing of our colleagues and helps us attract and retain top talent.

Employee Networks and Forums

Our employee networks and forums provide colleagues with a sense of community, and opportunities to come together to learn and give back. They are an important part of the firm's culture, driving engagement, cross-business connectivity and idea sharing. Active engagement and dialogue with network members are also invaluable in helping better understand the needs of our employees and broader communities. Morgan Stanley has over 20 networks globally, and all of our employee networks are open to all colleagues. For more information on our employee networks and forums, visit our [website](#).



Morgan Stanley offers talented individuals opportunities to build and grow rewarding careers. Through our comprehensive workforce offerings, we help employees to thrive both professionally and personally. Our well-rounded approach benefits employees, clients and shareholders.

Climate

The growing impact of climate change underscores the importance of working to reduce global emissions. Morgan Stanley leverages its expertise to help clients meet their transition and decarbonization objectives, aiming to support the global economy's transition to a more sustainable future. We also consider the impact of climate risks on our business, and manage the carbon intensity of our own operations.

Climate Strategy

For over a decade, we have considered climate change throughout our business, operations and risk management activities. To support this work, we have a four-part climate strategy:

1

FINANCE

We aim to reach net-zero financed emissions by 2050, with 2030 interim targets.²⁸ We seek to mobilize \$750 billion to support low-carbon and green solutions by 2030.

2

RISK

Firm Risk Management (FRM) and Operational Risk Department (ORD), in partnership with other areas of the firm, identify, measure, manage and monitor climate-related financial and operational risks, respectively.

3

OPERATIONS

Morgan Stanley has achieved carbon neutrality²⁹ across our global operations since 2022.

4

REPORTING

We publish climate-related disclosures in Morgan Stanley's annual Sustainability Report.



²⁸ [Morgan Stanley's 2030 Interim Financed Emissions Targets](#), October 2024.

²⁹ See the [Maintain Carbon Neutral Status](#) section of this report for more details.

Our Climate Ambitions

Mobilize Capital for Low-Carbon and Green Solutions

As a global financial services firm, we can play an important role in helping to raise capital for low-carbon and green solutions. Additionally, supporting low-carbon solutions can help reduce our clients' greenhouse gas (GHG) footprints, which helps our firm reduce its own financed emissions and progress toward our net-zero targets. See the [Climate Metrics and Targets](#) section of this report for more details. Finally, working with clients to scale low-carbon opportunities is a key component of our \$1 trillion sustainable finance target, which includes a target of \$750 billion of low-carbon and green solutions by 2030. See the [Sustainable Finance Target](#) section of this report for more information.

Additionally, each of our business segments offers specific climate solutions for its clients:

- **Institutional Securities** helps companies raise capital that may be used to finance investment in climate solutions. It also provides M&A advice to companies to support their clean technology or energy transition efforts, as well as advice on the procurement of carbon offsets.
- **Wealth Management** has developed a Climate Action Investing Toolkit that helps our Financial Advisors navigate the range of available climate action investing strategies. The Toolkit also helps them engage with clients about the risks and opportunities of climate action investing.

- **Investment Management** offers clients a range of sustainable investing solutions in actively and passively managed vehicles that seek to align with clients' return objectives and sustainability preferences, including climate as appropriate. For example, see our feature on the climate-focused [1GT](#) platform.

For additional details, see the [Institutional Securities](#), [Wealth Management](#) and [Investment Management](#) sections, respectively.

Strive Toward Our Financed Emissions Targets

In 2024, we released new and updated 2030 interim financed emissions targets covering our corporate relationship lending exposure within the energy, power, auto manufacturing, chemicals, mining and aviation sectors. For more details, see our [Targets Report](#).

We remain focused on progressing toward our 2030 financed emissions targets. As outlined in our Guiding Principles for the Climate Transition,³⁰ we aim to reduce real-world emissions by supporting our clients with the advice and capital required to achieve their climate ambitions and reduce carbon intensity. (See the [Institutional Securities](#) section for more details.) We will continue to be thoughtful, independent and pragmatic, with the best interests of our clients, shareholders and other stakeholders in mind.

We will continue to consider our clients' approaches to climate transition in our corporate relationship lending portfolio, using both physical intensity metrics and our Climate Strategy Assessment Framework (CSAF). The CSAF provides a forward-looking perspective on transition readiness and supplements a client's current physical carbon intensity, which reflects historical performance on climate. Together, CSAF and physical intensity provide a more holistic view of our clients'



transition progress and help us have a more informed view on where we and our clients are headed relative to our stated financed emissions reduction targets.

In some cases, lending to companies that are transitioning may result in temporary increases in our financed emissions. We are also aware of the need to balance climate considerations with real-time energy security needs. In addition, it is important to note that our financed emissions targets are premised on the global economy decarbonizing on a similar temperature trajectory. However, we must recognize that current policies, technology adoption and consumption habits are not yet aligned with this outcome. Without sufficient change in the aforementioned factors in the coming years, our clients, and our firm, may not meet net-zero aligned targets. That said, we remain committed to engaging with clients on climate transition strategies to help move the world to net-zero emissions by 2050.

We have a number of processes to help us monitor progress toward our 2030 interim targets, including: 1) annual updates to our CSAF profiles to reflect incremental disclosures or additional business activity; 2) business unit reviews of corporate loans within our interim target sectors, incorporating physical intensity metrics and CSAF profiles; and 3) periodic reports to the management-level Firm Sustainability Committee and, as necessary and appropriate, to the Board's Governance and Sustainability (G&S) Committee.

³⁰ Morgan Stanley's [2023 Report](#), page 44.

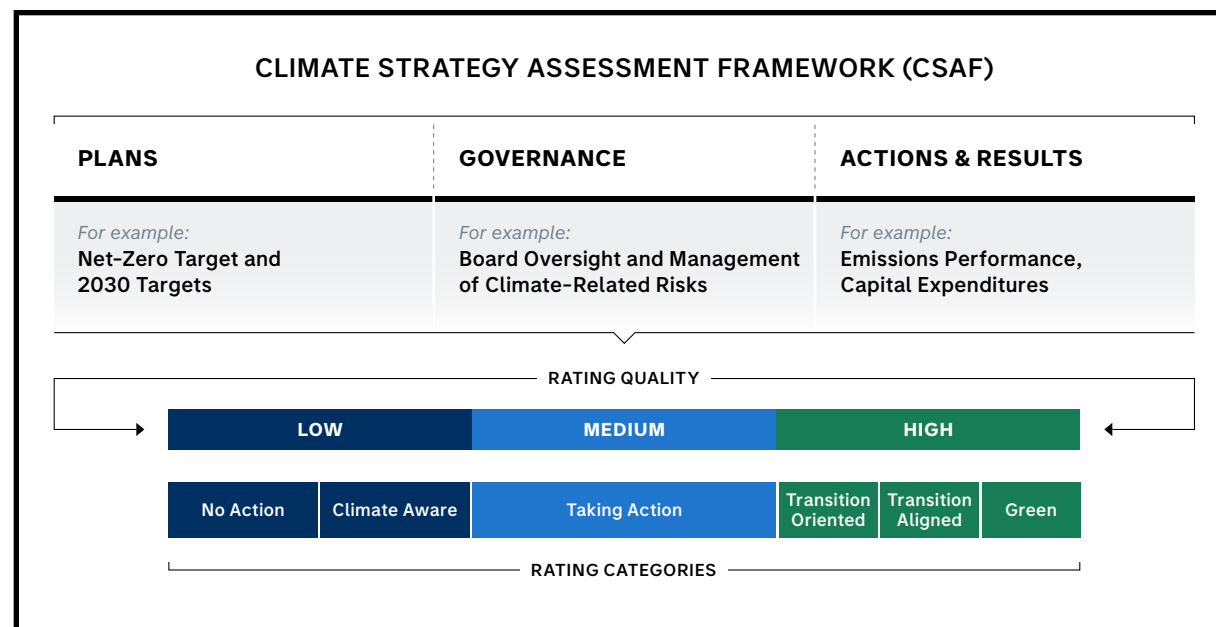
Climate Strategy Assessment Framework (CSAF)

Morgan Stanley’s proprietary CSAF provides a data-driven assessment of our clients’ climate strategies to help us better engage with clients, inform business decisions and assess climate transition risk.

The CSAF leverages data from public sources, and may be supplemented by discussions with clients (as appropriate). We assess a range of quantitative and qualitative factors, including clients’ net-zero and interim targets, climate-related governance, actions taken toward meeting targets and GHG emissions reduction goals. The CSAF ultimately classifies clients into one of the following six categories depicted on the right.

Key CSAF highlights across the six target sectors as of year-end 2024 include:

- Over 85% of our total committed financing to these sectors is tied to companies that we consider to have a medium- or high-quality transition plan.
- More than 60% of our clients across these six sectors have long-term operational (scopes 1 and 2) targets to reach net-zero by 2050, while over 70% have emissions-reduction targets by 2030.
- Approximately two-thirds of our Power clients have explicit targets to increase renewable generation capacity and/or phase down (or eliminate) coal-fired generation capacity.



- All of our Automobile Manufacturing clients have plans to increase production of electric vehicles (EVs), with many targeting to have >50% of global sales from EVs by 2030 or sooner.
- Approximately 60% of our Energy clients have targets to reduce or nearly eliminate methane emissions by 2030 or sooner.
- Over 75% of our Aviation clients have explicit targets or plans to increase utilization of sustainable aviation fuel (SAF), with many targeting SAF to be 10% of total fuel usage by 2030.

- Nearly all of our Chemicals and Mining clients have emissions-reduction targets by 2030, driven primarily by increasing their use of renewable energy and improving energy efficiency.
- That said, we note challenges to our clients achieving their stated targets and commitments given current climate policies and regulations, slower-than-required adoption of clean technologies, continued infrastructure and supply constraints, and increased electricity demand that potentially extends the need for fossil fuel power generation.

Maintain Carbon Neutral Status

In 2024, we maintained our carbon neutral status³¹ and procured 100% renewable electricity by deploying the following strategies:

- We secured renewable electricity through our virtual power purchase agreement (VPPA), on-site solar arrays, unbundled green electricity tariffs and unbundled RECs.
- We purchased high-quality carbon offsets to compensate for our remaining operational emissions, in accordance with our governance process. Each project that we source offsets from is certified by an internationally recognized carbon standard.

Morgan Stanley also advanced its carbon neutrality strategy and demonstrated the firm's commitment to supporting new climate technologies through two partnerships:

- We announced a 10-year agreement with Climeworks to permanently remove 40,000 tons of CO₂ from the atmosphere. This is Morgan Stanley's first purchase of direct air capture credits, a technology that uses specialized filters to extract CO₂ from the ambient air.
- We signed a five-year agreement with World Energy to purchase sustainable aviation fuel certificates, which was facilitated via our membership in the Sustainable Aviation Buyers Alliance (SABA).

SPOTLIGHT

SUSTAINABLE INNOVATIONS IN REAL ESTATE

Morgan Stanley installed new, more efficient heat pumps in two of our New York offices. These heat pumps reduce energy consumption and greenhouse gas emissions by transferring heat rather than generating it. By replacing legacy systems of lower efficiency, overall sustainability performance of both buildings is improved, which represents a milestone in our journey to create sustainable workspaces.

One of Morgan Stanley's newest office buildings in Mumbai was designed with a strong emphasis on sustainability and operational efficiency, integrating a range of advanced technologies to optimize energy and water usage. The smart air handling system, utilizing electronically commutated fans and electrostatic filters, provides superior indoor air quality with efficient energy consumption. Conservation of potable water is also supported through the on-site sewage treatment plant recycling treated wastewater for building sewage conveyance.



³¹ The firm's carbon neutral status reflects the actions above. For any given year, the determination of carbon neutrality is based on the best available data at the time of such determination. This data and related methodologies are evolving and improving so information from prior periods is subject to change and revision.

Carbon neutral status is a management-determined metric that may be viewed or calculated differently by others who may use the same "carbon neutral" terminology. Morgan Stanley has determined that the boundary around our carbon neutrality status is scope 1, scope 2 location-based emissions, scope 3 business travel and downstream leased assets, carbon offsets purchased from the voluntary carbon market, green power contracts, and market instruments (e.g., renewable energy certificates (RECs), energy attribute certificates (EACs)). There are instances where green power contracts and instruments that we accept for our purposes to meet carbon neutrality do not align with the criteria required to reflect those purchases in our scope 2 market-based figure in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) ("GHG Protocol"). For our GHG emissions table aligned with the GHG protocol, see the [Operational Emissions](#) section.

Climate-Related Engagements

Climate Policy

Global policymakers continue to refine their approach to climate regulation. Significant policy action is still required for the global economy to be aligned with a 1.5°C scenario. We continue to support science-aligned and market-based policies, and we engage with policymakers and key trade associations to provide expert feedback to inform effective global, regional and national climate policies.

For example, in the U.S., we were invited by policymakers to discuss the economic benefits of various clean energy tax credits, and by the U.S. Treasury to discuss the opportunities and challenges of scaling capital to help the U.S. economy transition to lower-carbon emissions.

In Europe, we engaged via trade associations, with policymakers and supervisors on a number of topics, including the EU’s development of corporate sustainability reporting and due diligence requirements, and the UK’s initiatives to mobilize capital to help advance the net-zero agenda.

Trade Associations

We work with leading trade associations to promote public policy objectives of importance to Morgan Stanley, including climate policy. A list of the principal U.S. trade associations of which Morgan Stanley is a member can be found [here](#).

Our participation in trade associations helps further Morgan Stanley’s work as a global

financial services firm. Our participation, however, does not imply that we always align with a trade association’s positions on all aspects of climate policy. We provide our independent view as a member and we seek alignment where feasible and appropriate.

See the table below, where we list a few key climate-focused trade organization working groups of which we are a member.

KEY TRADE ASSOCIATIONS	CLIMATE GROUP MEMBERSHIP
Financial Services Forum	Climate Risk Working Group
Bank Policy Institute	Climate Working Group
American Bankers Association	Climate Task Force
Institute of International Finance	Sustainable Finance Policy Expert Group
Securities Industry and Financial Markets Association	Sustainable Finance Task Force
Association for Financial Markets in Europe	Sustainable Finance Steering Committee
Asia Securities Industry and Financial Markets Association	Sustainable Finance Committee
U.K. Finance	Sustainability Committee
Global Financial Markets Association	Sustainable Finance SteerCo
International Capital Market Association (ICMA)	Climate Transition Finance Working Group

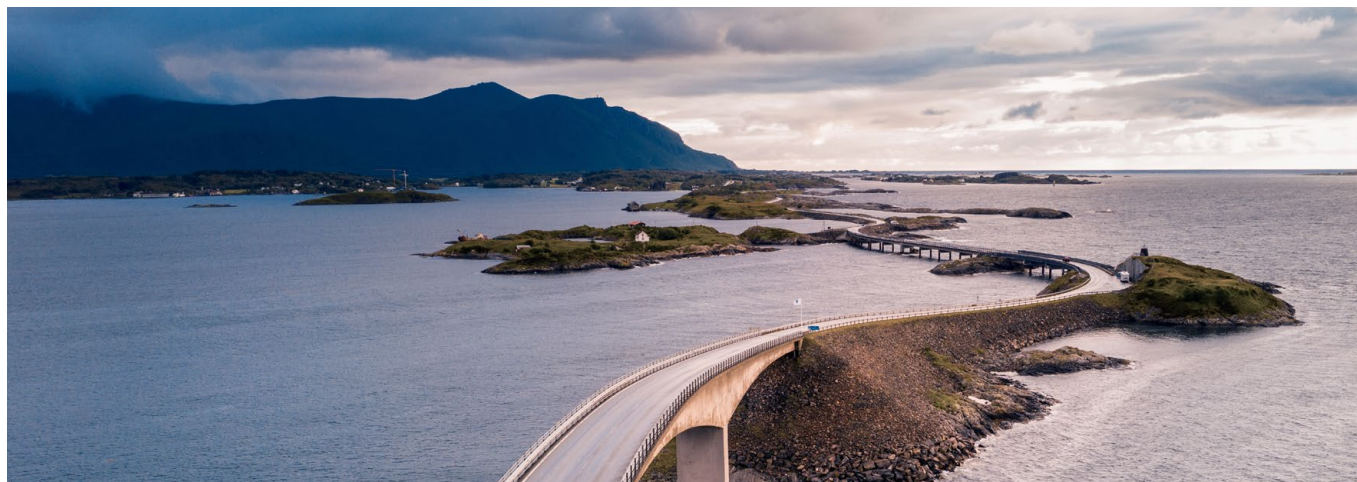
Climate Risk Management

Climate-related risks may create financial risks for organizations, with consequences ranging in nature, severity and frequency. It is important for financial institutions to understand how their business and clients may be affected. Morgan Stanley Firm Risk Management (FRM), in partnership with other areas of the firm, continues to focus on identifying and managing climate-related financial risks in order to limit their potential impact on Morgan Stanley.

Defining Climate Risks

Morgan Stanley categorizes climate-related risks into two groups: physical risks and transition risks. The timing, severity and impact of these risks are difficult to predict.

Physical Risks: Climate-related physical impacts include harm to people and property arising from acute climate-related events, such as hurricanes, heatwaves, droughts, floods or wildfire, as well as chronic, longer-term shifts in climate patterns, such as higher average temperatures, rising sea levels and long-term droughts. Such events could disrupt our operations or those of our clients or third parties on which we rely through direct damage to physical assets and indirect impacts from supply-chain disruption and market volatility. These events could impact the ability of some clients or customers to repay their obligations, reduce the value of collateral, increase costs (including the cost or availability of insurance coverage) and cause other adverse effects.



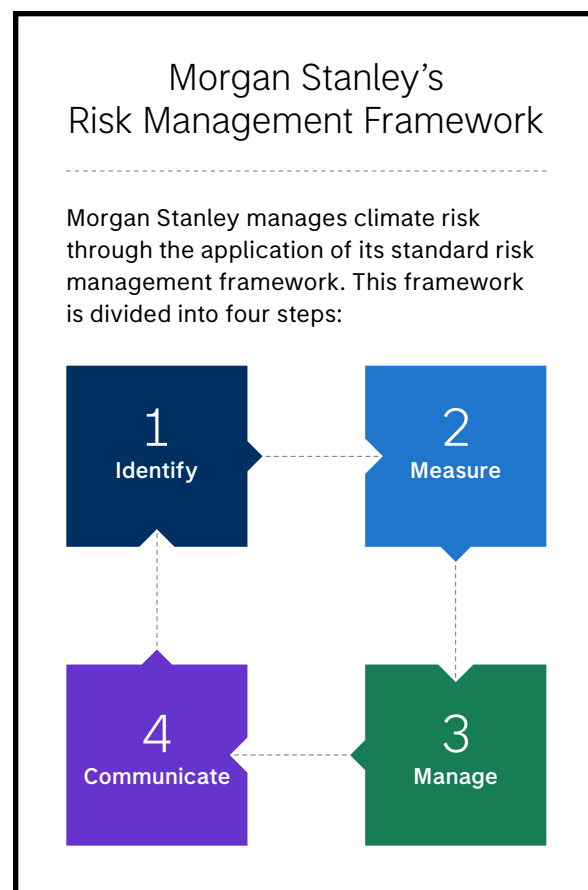
Transition Risks: Risks associated with the move to a low-carbon economy generally fall into one of three categories:

- 1 **Policy and legal changes**, such as local, national or international regulation of carbon emissions
- 2 **Technology advancements**, such as replacement of existing products with lower-emission options
- 3 **Market developments**, such as changes in consumer and business sentiment or impacts from the public's perception of an organization's action or inaction on climate-related matters

Depending on the nature, speed and breadth of these changes, transition risks may pose varying degrees of financial, reputational, regulatory, compliance or other risks to Morgan Stanley, as well as to our clients or third parties on which we rely. The negative impacts of transition risks on certain clients, such as decreased profitability or asset write-downs, could lead to increased financial risks for the firm, which could increase our expenses and adversely affect our strategies.

Managing Climate Risks

Morgan Stanley continues to develop its capabilities for identifying and managing climate-related financial risks. FRM works with stakeholders across the firm to identify, measure, manage and monitor climate-related financial risks the firm may face.



Morgan Stanley views climate risk as an overarching risk that can impact other risk types, such as credit risk, market risk, operational risk and liquidity risk. As climate risk is interconnected with other risk types, we have developed (and continue to enhance) processes to embed relevant climate risk considerations into our risk management strategies and governance structures, taking into account considerations such as time horizons, where appropriate. The metrics used to assess the impact of climate risks are consistent and comparable with those used to monitor and manage other risk types, such as exposure concentrations to industries or geographies, or stress loss estimates.

RISK IDENTIFICATION

The first step in managing climate risk is to correctly identify the climate risks that may affect Morgan Stanley's products and business lines. As with other types of risk identification, climate risk identification is critical to the measurement, monitoring and mitigation of financial risks to Morgan Stanley.

Morgan Stanley monitors external developments and tracks the latest science to understand climate risks to which the firm may be exposed. FRM continues to evolve its centralized risk identification inventory to identify appropriate climate-related risks.

Scenario Analysis

In order to measure, manage and communicate climate risks, we leverage scenario analysis to identify potential vulnerabilities in our business and measure the resulting impact.³²

Morgan Stanley continues to enhance its scenario analysis capabilities, focusing on areas in which there is a greater degree of uncertainty compared to established stress testing frameworks, such as the quality of forward-looking climate data. The firm will continue to update its scenario analysis processes as data quality and analytical frameworks mature.

TRANSITION RISK SCENARIO ANALYSIS

Transition risk scenario analysis looks at the risk associated with the move to a low-carbon economy driven by a change in the regulatory environment. To conduct the analysis, FRM leverages existing economic scenario forecast models as a starting point to develop climate scenario forecasts. This approach allows FRM to capture key macroeconomic and financial market variables across regions and sectors. FRM then takes climate-specific variables from widely recognized industry sources or input from Morgan Stanley Research to inform the macroeconomic scenarios. The firm's transition risk scenarios can be used to analyze the firm's vulnerabilities, emerging changes in policies and the potential economic impact of such policy changes.

³² Unlike established scenario frameworks for other risk categories (e.g., credit, market and liquidity risks), some of the scenario analyses for climate risk, which may potentially include varying assumptions regarding mitigation, are still developing as data quality and analytics are enhanced. While the outcome of a climate risk scenario may be helpful to show trends over time or as one input in the risk management process, such outcomes continue to be inherently uncertain and not comparable among companies.

PHYSICAL RISK SCENARIO ANALYSIS

Physical risk scenario analysis helps Morgan Stanley understand the potential impact that acute or chronic weather events can have on our business. Physical risk scenarios leverage internal inputs and models, adjusting them for climate-specific factors based on the scenario narrative.

Morgan Stanley has analyzed the potential financial consequences of acute climate events such as severe weather. The portfolios in scope are generally those we have identified as having concentrations in geographies affected by the physical risk being analyzed.

Additionally, Morgan Stanley's Operational Risk Department runs scenarios to assess and quantify potential losses that Morgan Stanley's operations may incur as a result of climate-related physical risks. The physical risks are assessed in terms of damage to Morgan Stanley's physical assets, as well as incremental losses incurred to maintain operations. As part of the assessment, the scenarios consider the potential occurrence of severe weather events.

TIME HORIZONS FOR SCENARIO ANALYSIS

Both transition and physical risks can materialize over different time horizons. Therefore, institutions like Morgan Stanley face the challenge of not only identifying climate risks to their business but also analyzing the likely timing, duration and severity of each potential physical and transition risk.



Climate Risk Governance

We maintain a governance process to regularly communicate climate risk updates to key internal stakeholders and committees. This process helps ensure appropriate oversight and transparency. The Climate Risk Committee (CRC) oversees matters relating to the firm's exposure to climate risk, including the integration of climate risk

considerations into firm decision-making and the firm's exposure to physical and transition climate risk. The CRC reports to the Firm Risk Committee and, subsequently, to the Board Risk Committee on at least an annual basis. The CRC also oversees the FRM Climate Steering Committee, which is responsible for reviewing climate risk-related matters within FRM.

Climate Metrics and Targets

Metrics and targets are important to our climate strategy and help the firm track progress toward its climate-related goals.

This section includes data tables summarizing physical intensity³³ and absolute financed emissions,^{34,35} for our six target sectors as well as our operational emissions. All targets are inclusive of our corporate relationship lending exposure on

a year-end committed basis. For further information, refer to the “Our 2023 Interim Targets” section of the [Morgan Stanley’s 2030 Interim Financed Emissions Targets Report](#) that detail the sector-specific methodologies, assumptions and risks.

We continue to assess our approach to facilitated emissions associated with our capital markets activities.



³³ The 2030 interim targets and associated 2022 and 2023 physical intensity results were not subject to Deloitte & Touche LLP’s review. As such, Deloitte & Touche LLP does not express a conclusion with respect to the 2030 interim financed emissions targets or results.

³⁴ Morgan Stanley’s financed emissions methodology is described in the [Appendix](#).

³⁵ The 2023 Absolute Financed Emissions information for all sectors presented and the 2022 Absolute Financed Emissions information for the Aviation sector, Chemicals sector and Mining sector was subject to Deloitte & Touche LLP’s review. See the [Independent Accountant’s Review Report](#).

Physical Intensity

SECTOR	IN-SCOPE EMISSIONS	2030 TARGET	2030 TARGET VALUE	METRIC	2022 TARGET BASE YEAR	2023
Auto Manufacturing	Scope 1 + 2 and Scope 3 (Category 11)	29% to 45%	84 to 109	gCO ₂ e/vehicle km	153	148
Aviation	Scope 1	13% to 24%	663 to 759	gCO ₂ e/revenue tonne km (RTK)	872	870
Chemicals	Scope 1 + 2	18% to 28%	546 to 622	kgCO ₂ e/tonne produced	758	647
Energy—End Use	Scope 3 (Category 11)	10% to 19%	48.9 to 54.4	gCO ₂ e/MJ	60.4	60.2
Energy—Operational	Scope 1 + 2	12% to 20%	4.9 to 5.4	gCO ₂ e/MJ	6.2 ³⁶	6.1
Mining	Scope 1 + 2	23% to 31%	4.9 to 5.5	tCO ₂ e/tonne CuEq	7.1	7.1
Power	Scope 1	45% to 60%	142 to 195	kgCO ₂ e/MWh	355	316

Our physical intensity metric represents a portfolio-weighted view of our clients' own carbon intensity, as measured by a common sector activity unit, such as production or generation.

The physical intensity metrics above represent the weighted carbon intensity of clients in our corporate relationship lending portfolio using committed amounts as of year-end 2023. The 2022 baseline results were previously published in our 2030 Interim Financed Emissions Target Report. Our 2023 portfolio results reflect the latest available 2023 emissions data for our lending portfolio, with the one-year time lag due to client emissions data often being unavailable until 12-18+ months after the fiscal year-end.

YEAR-OVER-YEAR SECTOR OBSERVATIONS 2022 TO 2023³⁷

Auto Manufacturing: The emissions intensity for our auto manufacturing portfolio decreased by 3% from our 2022 baseline. This was primarily due to physical intensities decreasing across the majority of clients as they continued to scale their electric vehicle (EV) production in 2023.

Aviation: The emissions intensity for our aviation portfolio decreased slightly from our 2022 baseline. There was a decrease in physical intensity across the majority of clients as they increased annual revenue tonne kilometers (RTK) activity relative to overall emissions, likely driven by increased passengers and belly cargo per flight.

Chemicals: The emissions intensity for our chemicals portfolio decreased by 15% from our 2022 baseline. This was due to physical intensities decreasing across the majority of clients, and a higher year-on-year exposure to lower-intensity clients.

Energy—End Use: The end use emissions intensity for our energy portfolio decreased slightly from our 2022 baseline. Physical intensities were mostly stagnant across clients, combined with limited portfolio changes.

Energy—Operational: The operational emissions intensity for our energy portfolio decreased by 2% from our 2022 baseline. Physical intensities decreased among almost all clients.

Mining: The emissions intensity for our mining portfolio remained constant with our 2022 baseline. There was a mix of changes in both physical intensities and commitments across clients which offset each other.

Power: The emissions intensity for our power manufacturing portfolio decreased by 11% from our 2022 baseline. This was primarily due to physical intensities decreasing across the majority of clients, with a 4% intensity decrease on average across the portfolio, as clients continued to scale their renewable energy generation in 2023.

³⁶ In congruence with the Financed Emissions Revision Policy, as detailed in the [Financed Emissions Methodology Appendix](#), the Energy—Operational 2022 baseline was recalculated from 6.7 to 6.2 while maintaining the existing 2030 target range. The change was driven primarily by updated data and methodology enhancements.

³⁷ Morgan Stanley introduced physical intensity targets at the end of 2024 and did not manage physical intensity exposure from 2022-2023.

Absolute Financed Emissions (AFE)^{38,39}

Our AFE metric represents the firm's proportional share of clients' absolute emissions, resulting from our corporate lending activities in the reporting year. We have chosen to report AFE in alignment with the six sectors covered by our interim financed emissions targets. As such, this report is our first instance of reporting AFE for Aviation, Chemicals and Mining.

We updated the base year for our AFE inventory from 2019 to 2022 in order to be consistent across all six sectors. We took the same approach with updating the base year for our interim financed emissions targets.

METHODOLOGY NOTES

Our AFE calculations are informed by the methodology for business loans developed by the Partnership for Carbon Accounting Financials (PCAF). We calculate AFE for relationship- and event-driven loans for six sectors within our corporate lending portfolio. Where financing is provided to entities that are developing Power- or Energy-related projects, we calculate financed emissions once the project is operational, and only for the operational emissions of those projects (i.e., we do not calculate the lifetime emissions of the projects nor the development-related emissions while the project is being built). Our AFE includes all three emissions scopes of our lending clients. Figures are reported as gross, and do not account for any use of offsets or removals by clients.

SECTOR (tCO ₂ e)	IN-SCOPE EMISSIONS	2022	2023
Auto Manufacturing		95,039	42,453
	Scope 1 + 2	1,164	672
	Scope 3	93,875	41,781
Aviation		65,142	40,460
	Scope 1 + 2	58,647	36,895
	Scope 3	6,495	3,565
Chemicals		822,562	1,333,791
	Scope 1 + 2	197,736	592,265
	Scope 3	624,826	741,526
Energy		3,602,827	2,415,884
	Scope 1 + 2	209,604	190,918
	Scope 3	3,393,223	2,224,966
Mining		117,858	69,522
	Scope 1 + 2	21,756	16,597
	Scope 3	96,102	52,925
Power		861,149	720,779
	Scope 1 + 2	492,157	458,165
	Scope 3	368,992	262,614

Per PCAF methodology, we only calculate AFE on loans that were drawn as of the last day of the year. Using drawn exposure amounts, rather than committed exposure as used for our intensity-based targets, increases the variability of the metrics.

For 2022 and 2023, we excluded loans representing 6.7% and 0.1% of our lending on a total funded

exposure basis, respectively. These exclusions were due to a lack of financial information available for certain borrowers, such as those in bankruptcy or prior to operationalization of a project. There are no additional exclusions from our calculated AFE population based on data, materiality or other methodological issues.

³⁸ Morgan Stanley's financed emissions methodology is described in the [Appendix](#).

³⁹ The 2023 Absolute Financed Emissions information for all sectors presented and the 2022 Absolute Financed Emissions information for the Aviation sector, Chemicals sector and Mining sector was subject to Deloitte & Touche LLP's review. See the [Independent Accountant's Review Report](#).

YEAR-OVER-YEAR SECTOR OBSERVATIONS 2022 TO 2023

Auto Manufacturing: The decrease is primarily driven by a change in the composition of borrowers and the amount they have drawn on their facilities.

Aviation: The decrease is primarily driven by a change in the composition of borrowers and the amount they have drawn on their facilities.

Chemicals: The increase is primarily driven by a change in the composition of borrowers and the amount they have drawn on their facilities.

Energy: The decrease is primarily due to a change in the composition of borrowers and the amount they have drawn on their facilities.

Mining: The decrease is primarily driven by a change in the composition of borrowers and the emissions estimated for a borrower.

Power: The decrease is primarily due to a change in the composition of borrowers and the amount they have drawn on their facilities.



See [Important Notices](#) herein. Also note that data in the Physical Intensity and AFE tables:⁴⁰

- Were calculated using third-party data inputs, which include estimates, and Morgan Stanley does not guarantee the accuracy of such information. While Morgan Stanley believes the data has been reasonably determined based on current practices, methodologies and standards in this area continue to evolve and may change. Third-party data providers may revise such information from prior years which may cause us to recalculate prior-period emissions in accordance with our Financed Emissions Disclosure Revision Policy. See also [Important Notices—Use of Third-Party Information and Estimates](#) herein.
- Are not comparable to financed emissions data of other financial institutions, which may have different business models and lending practices, and may use different accounting methodologies and data to determine financed emissions.
- May vary from year to year based on many factors, some of which are beyond our control. Readers are cautioned not to use year-over-year results to make conclusions on future progress toward interim targets, but to consider trends over a longer period of time.
- Were also not prepared in accordance with, and not meant to comply with, any current proposed or future regulatory disclosure requirements.

⁴⁰ Also see “How Carbon Emission Data Challenges Impact our Target Reporting” on page 53 of our [2022 Report](#).

PCAF Data Quality Scores

Morgan Stanley’s calculation of data quality scores for our financed emissions reporting is informed by the PCAF guidance, but also based on the methodology of our third-party data vendor. This includes use of third-party data inputs, and sometimes requires estimates and assumptions based on the availability of data. These scores indicate the quality of the source of the emissions data underlying our calculations, on a scale from 1 to 5, with 1 being the highest quality. For example, company reported emissions are scored as higher data quality as they are specific and may be third-party verified, whereas economic activity-based emissions factors, which are used to estimate company emissions, are considered lower data quality. PCAF guidance recommends calculating a data quality score for scopes 1 and 2 separate from a score for scope 3. For more information on the PCAF Data Quality scale, see the [PCAF methodology document](#).

Application of our third-party data vendor’s methodology may result in data quality scores that are not reflective of all emissions data within any given emissions scope. For example, if a company reports emissions for just one single scope 3 category, the overall data quality score for scope 3 would only reflect that data has been reported, despite emissions being estimated for other scope 3 categories. This results in a data quality score that may imply higher-quality data than had the estimation component also been considered. Morgan Stanley does not guarantee the accuracy of such information and methodologies, as standards in this area continue to evolve and may change, which may also cause us to restate prior-period data quality scores in the future.

Data quality scores are reflective of all reported sectors, as weighted by the drawn exposure amount of the client relative to the total drawn exposure across all sectors. In relation to the 2022 results in the Data Quality Scores table, these results incorporate the previously reported scores for Auto Manufacturing and Power, the revised scores for Energy, and the newly reported scores for Aviation, Chemicals and Mining. Data quality scores have improved slightly year on year for AFE. However, we continue to see an overall lower level of reported scope 3 emissions data from companies compared to scopes 1 and 2.

Data Quality Scores⁴¹

ABSOLUTE FINANCED EMISSIONS

YEAR	SCOPE 1 + 2	SCOPE 3
2022	3.1	3.3
2023	3.0	3.2



⁴¹ The PCAF Data Quality Scores information was not subject to Deloitte & Touche LLP’s review. As such, Deloitte & Touche LLP does not express a conclusion with respect to this information.

Operational Emissions⁴²

During 2024, total location-based emissions remained relatively unchanged compared to 2023. While scopes 1 and 2 were approximately 3% lower in 2024, scope 3 increased by approximately 7% primarily due to a higher volume of business

travel, particularly commercial air flights. During 2024, total market-based emissions were about 13% lower compared to 2023, due to the application of additional GHGP-compliant renewable instruments.

In 2024, we updated our base year for operational emissions to 2023 from 2012. This update offers a more meaningful base year as 2023 reflects the first recent inventory in which operating emissions are not overly influenced by the coronavirus pandemic.

GHG Emissions Data

EMISSIONS (mtCO ₂ e)	(Base Year) 2023	2024 ⁴³
Scope 1	24,201	19,636
Scope 1: Real Estate	19,694	14,032
Scope 1: Mobile Combustion	4,507	5,604
Scope 2 Location Based	229,954	226,774
Scope 2 Market Based	31,804	8,730
Total Location Based: Scope 1 & 2	254,155	246,410
Total Market Based: Scope 1 & 2	56,005	28,366
Scope 3 Total Category 6 & 13	98,289	105,497
Scope 3: Category 6 Business Travel	96,031	103,519
Scope 3: Category 13 Downstream Leased Assets	2,258	1,978
Total Location-Based Emissions	352,444	351,907
Total Market-Based Emissions	154,294	133,863

⁴² Morgan Stanley's operational emissions methodology is described in the [Appendix](#).

⁴³ The 2024 Operational Emissions information was subject to Deloitte & Touche LLP's review. See the [Independent Accountant's Review Report](#).

Impact in Our Communities

Morgan Stanley is committed to supporting and enriching the communities in which we live and work. Through investments, grants, scholarships, volunteering and donations, we aspire to create a more inclusive and sustainable society for future generations.

We aim to advance this ambition through four key themes:

1

CHILDREN'S HEALTH

We focus on children's mental and physical health by addressing food insecurity, creating safe and accessible places to play, and helping kids grow and thrive.

2

EDUCATION

We work to help eliminate barriers to degree completion for students from under-resourced communities.

3

FINANCIAL INCLUSION

We provide opportunities and access to resources to entrepreneurs, startups, individuals and small businesses to help close the financial inclusion gap.

4

SUSTAINABILITY

We support emerging sustainability leaders to help advance solutions that deliver environmental and social benefits to society.



Community Development Finance

Morgan Stanley aims to create investment opportunities that attract both philanthropic and private capital to bring about lasting positive changes in communities across the U.S., including low- to moderate-income communities.

Our U.S. subsidiary banks, Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association, have consistently received “Outstanding” ratings from the Office of the Comptroller of the Currency for their record of meeting community needs. We made over \$3 billion* in Community Reinvestment Act (CRA) qualified community development loans and investments in 2024. The CRA program seeks to transform communities’ quality of life through a focus on:



QUALITY MULTIFAMILY AFFORDABLE HOUSING

- New Construction and Rehabilitation
- Preservation and Extension of Affordability
- Resident Services
- Homelessness Prevention
- Capital for Public Housing



HEALTHY COMMUNITIES

- Primary Care Clinics
- Healthy Foods
- Transit-Oriented Developments

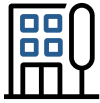


ECONOMIC DEVELOPMENT

- Quality Jobs
- Entrepreneurs

* All or a portion of the assets represented by this metric have been counted toward the firm’s [Sustainable Finance Target](#).

Community Development Finance 2024 Highlights



Keeping Housing Affordable With Supportive Services

As critical needs across the U.S., new construction, preservation and rehabilitation of affordable housing are core components of our community development strategy. For example, in 2024, our Community Development Finance (CDF) team made a Low-Income Housing Tax Credit investment to support the renovation of an affordable housing property in Cayuga, New York. The project property includes permanent supportive housing units with rent and service subsidies. The investment also includes services such as case management, life skills training and support, employment programs, recreation and leisure activities, transportation, counseling and health care connections. For more information, see our [2025 Social Bond Impact Report](#).



Investments in Rural Markets

We work with mission-oriented partners to identify projects located in rural and low-income areas that support the needs of residents and the surrounding communities. In 2024, Morgan Stanley provided a New Market Tax Credit Investment to support the Colusa Indian Community Council (CICC) Health Clinic Project in California, an adaptive reuse of a commercial building into a specialty health care facility. The Specialty Clinic will provide space for multiple medical specialties, including internal medicine, women's health, podiatry and nutrition. The goals for the project include bringing health care services to Colusa to reduce the distance patients travel for specialized care and enable providers to better serve the community's complex health care needs.



Capacity Building for Nonprofits

Our CDF team provides grants and sponsorships to fund general operating support and specific programs for nonprofit partners. Our grant program also supports capacity-building to help develop the next generation of leaders in the community development field. Together with the Association for Neighborhood and Housing Development in New York City and the Community Foundation of Utah in Salt Lake City, the firm developed the Morgan Stanley Community Development Fellowship Program to offer graduate students in urban planning or public policy an academic year internship with a community development-oriented nonprofit.



Economic Development That Supports Small Businesses

We work with Certified Development Companies and the U.S. Small Business Administration (SBA) to provide small-business owners with fixed-rate, long-term commercial real estate loans—through SBA 504 loans—to buy land or property, or to help expand or remodel business property.

Community Affairs

Giving back is a core value of the firm and central to our culture. Morgan Stanley actively supports communities around the world through both financial assistance and employee engagement.

Our philanthropic efforts are led by the Morgan Stanley Foundation, established more than 60 years ago, and the Morgan Stanley International Foundation, established more than 30 years ago. Our approach is rooted in creating significant and meaningful impact for the communities in which we live and work through long-term collaboration with leading nonprofit organizations and mobilizing our employees to make a difference. In 2024, our firm and charitable foundations donated more than \$110 million to nonprofit organizations around the world.

Supporting Children

Though we support a range of charitable causes, we focus on children's mental and physical health, including addressing food insecurity, the creation of safe and accessible places to play, and helping kids grow and thrive.

In 2024, Morgan Stanley strengthened its commitment to the firm's Alliance for Children's Mental Health (the "Alliance") by pledging an additional \$20 million over the next five years, bringing the initiative's total funding to \$50 million since its launch in 2020. The Alliance combines the resources and reach of Morgan Stanley with the knowledge and experience of distinguished nonprofits to address the mental health crisis through growth capital, capacity-building, seed-funding and thought leadership. The Alliance has reached over 52 million children, caregivers and educators globally.

In 2024, the Alliance supported the third cohort of winners of its annual Innovation Awards, a program that aims to fund and advance transformative mental health care solutions for children and young adults across the U.S. The Alliance also launched a new Leadership Learning Series to build the capacity of more nonprofits beyond the five winners, especially early-stage organizations seeking to grow their children's mental health programming for greater impact. The Alliance continues to research and discuss important topics within the children's mental health field, including early childhood care, stigmas and help-seeking behaviors in teens.

In 2024, we also refreshed our giving back strategy in EMEA to help build longer-term, sustainable change for children and young people in our communities whose life outcomes have been deeply affected by the pandemic and cost-of-living crisis. In response to this growing need, we increased our level of giving to a larger number of charities and extended our support for a longer period of up to five years. By backing innovative solutions delivered by our 10 partner charities in London, Budapest, Glasgow, Frankfurt and Paris, we helped address food insecurity, poverty alleviation, social mobility, physical and mental health issues, and equal access to education.



The Morgan Stanley Alliance for Children's Mental Health has reached over 52 million children, caregivers and educators globally.



Employee Volunteering

Throughout the year, our employees are actively engaged in the firm's philanthropic programs through volunteering, donating funds and collaborating with their colleagues to drive impact for our communities.

2024 HIGHLIGHTS INCLUDE:

Global Volunteer Month: This annual cornerstone program brings our employees together to volunteer and has provided 3.1 million hours to local and international nonprofits since its inception in 2006. In 2024, over 64,000 employees (approximately 80% of our firm) in 36 countries devoted nearly 300,000 hours to local organizations addressing hunger relief, environmental conservation, education and more.

Strategy Challenge: This annual pro bono program in New York and London harnesses our employees' professional skills to provide strategic advice to local nonprofits that helps them scale their missions. We have delivered 159,000 hours of pro bono service (valued at over \$25 million⁴⁴) to 195 nonprofits since the program's inception in 2009. Recommendations from our teams have led to more effective business models, expanded services and improved productivity.

Philanthropic Incentives: In 2024, we granted over \$2 million in support to hundreds of nonprofit organizations at which our employees serve as dedicated volunteers or governing board members. We also ran charitable giving and matching programs for employees in all of our regions to expand the impact of their giving.

Nonprofit Partners: We form long-term partnerships with local, national and international nonprofits, providing grants to help grow innovative programs and deepening our impact through employee volunteering. For example, in the U.S., our decade-plus partnership with Feeding America® includes helping at food banks across the country. We have also supported NewYork-Presbyterian and its predecessors for over 50 years, including the establishment of Morgan Stanley Children's Hospital in 2003. In the U.K., Morgan Stanley has supported The Felix Project, a food redistribution charity, since its founding in 2016. Our employees regularly volunteer with the organization and contribute pro bono advice.

More Ways We Give Back: We offer seasonal philanthropic programs, crisis response campaigns, ongoing volunteer opportunities, and other initiatives to engage our employees to make a difference in our communities.



⁴⁴ In order to assign a value to the pro bono hours volunteered by Morgan Stanley employees, Morgan Stanley utilizes the U.S.-based salary values developed by the Taproot Foundation. In 2024, Morgan Stanley updated its methodology to better align the salary value with historical year information.

SUSTAINABILITY IN NUMBERS

\$110+ million
donated by the firm and its charitable foundations
in 2024

3.1 million
employee hours volunteered during Global Volunteer
Month since its inception in 2006

52+ million
people reached by the Morgan Stanley Alliance for
Children's Mental Health since its inception in 2020

Institute for Inclusion

Since launching in 2020, the Morgan Stanley Institute for Inclusion (IFI) has supported investments in under-resourced communities and helped to accelerate the firm’s internal inclusion and belonging efforts. The IFI brings our employees, communities and clients together in a shared commitment to create a more inclusive society.

The IFI exemplifies the firm’s commitment to investing in communities and maintaining a culture of inclusion and belonging where everyone feels supported. An independent advisory board

composed of prominent leaders in business, academia and nonprofit organizations, as well as Morgan Stanley Board members, leads the IFI and guides its work and strategic priorities.

Built on three pillars, the IFI is a catalyst for our commercial, philanthropic and talent-focused efforts.



OUR PEOPLE

We invest in attracting and advancing a workforce that is supported by an inclusive culture of rigor, partnership and humility.



OUR COMMUNITIES

We aim to help communities grow and thrive through philanthropy, with a focus on educational attainment, inclusion and wellness.



OUR CLIENTS

We partner with our clients to drive meaningful impact in the areas important to them and aligned with our core values.

SUPPORTING SMALL BUSINESSES

Morgan Stanley sources quality products and services for hundreds of the firm’s offices all over the world. Through our Supplier Diversity Program, Morgan Stanley seeks to expand its pool of suppliers that meet our high standards, which include small businesses.

Additionally, we understand that small businesses can lack resources and experience navigating large organizations, which often prevents them from gaining a foothold in the marketplace. The firm’s Small Business Academy (the “Academy”)—a partnership between the Supplier Diversity Program and the Institute for Inclusion—helps bridge this gap by equipping entrepreneurs with the expertise they need to win business.

Launched in 2022, the Academy empowers small-business leaders through education, best-practice sharing and mentorship. The Academy helps U.S. and U.K. small businesses to stand out in the procurement process, strengthen their business knowledge and build their professional network. The 12-week program is virtual and facilitated by instructors who guide participants through interactive workshops, coaching sessions and a capstone project. Graduating businesses receive ongoing support from Morgan Stanley. In 2024, 15 small businesses participated in our third cohort, and a total of 39 companies have graduated since the start of the program. See our webpage on our [Supplier Diversity Program](#) for more information.



Institute for Sustainable Investing

Established in 2013, the Morgan Stanley Institute for Sustainable Investing (ISI) aims to accelerate sustainable finance by driving innovation, empowering investors with insights, and supporting the development of the next generation of sustainable investing leaders.

The Institute is guided by an Advisory Board, which is chaired by the firm's Chief Sustainability Officer, and composed of prominent leaders from business, academia and nongovernmental organizations. It publishes regular thought leadership on sustainable finance trends and themes, and runs several initiatives, including the Kellogg-Morgan Stanley Sustainable Investing Challenge and the Sustainable Investing Fellowship.

Empowering Investors With Insights

Throughout the year, the ISI publishes thought leadership on sustainable finance trends and themes. Utilizing survey data, market analysis, research and insights from leaders across Morgan Stanley's businesses, the Institute's publications help inform clients and partners seeking to drive environmental and social impact. Annual ISI thought leadership publications include Sustainable Signals global surveys of individual investors, corporates and institutional investors, and the Sustainable Reality series, which assesses the historical performance of sustainable funds against traditional funds over a specific timeframe. Analysis published by the ISI is available on our [website](#).

Developing Future Sustainable Investing Leaders

SUSTAINABLE INVESTING FELLOWSHIP

The Sustainable Investing Fellowship, launched in 2014, welcomes talented university students who spend 10 weeks of their summer learning from Morgan Stanley sustainability experts and sustainability investing specialists. Each year, the Sustainable Investing Fellowship places students on sustainability-focused teams in our New York and London offices. In 2024, fellows worked on projects across a number of business units including the Global Sustainability Office, Equity Research, Global Capital Markets, Wealth Management's Investing with Impact and Investment Management's Private Credit & Equity.

SUSTAINABLE INVESTING CHALLENGE

The Kellogg-Morgan Stanley Sustainable Investing Challenge, in partnership with the Kellogg School of Management at Northwestern University, invites teams of graduate students from around the world to develop and pitch creative financial approaches to tackle pressing social and environmental challenges. The 2024 Challenge marked the competition's 14th year and included participation from more



than 290 students from 44 countries. Volunteers from across the sustainable investing community offered their services as mentors and judges. After a daylong competition in New York City, a panel of sustainable finance experts and senior practitioners selected students from David Eccles School of Business at the University of Utah as the winners for their proposal to fund irrigation efficiency projects to help prevent the Great Salt Lake from drying up.

Inclusive & Sustainable Ventures (MSISV)⁴⁵

Inclusive & Sustainable Ventures (MSISV) provides early-stage innovators with access to capital and resources to help them develop and scale. MSISV includes two in-house accelerator programs: a Lab designed for startup founders and a Collaborative to support emerging nonprofits. Our mission is to foster a more inclusive and sustainable investment landscape.

Morgan Stanley Inclusive & Sustainable Ventures builds on the success of the Inclusive Ventures Lab and Sustainable Solutions Collaborative. Together, the programs have distributed more than \$30 million in capital* to over 130 startups and organizations in the last eight years. MSISV leverages Morgan Stanley's Integrated Firm approach and deep expertise to better serve the needs of early-stage startups and nonprofits.

Previous participants have used the platform to secure additional funding rounds, refine their strategy and expand their business—and some have been acquired.

The 2024 cohort companies represented a range of industries, including financial technology, retail, enterprise software and travel, as cross-cutting themes. Learn more about the companies from the 2024 cohort, as well as past cohorts, on our [website](#).

In 2024, the firm launched the Japan Inclusive Ventures Lab (JIVL) to support startups in Asia—the first extension of the program there. Operated in partnership with Mitsubishi UFJ Morgan Stanley Securities, our securities joint venture partner in Japan, JIVL represents a deeper level of collaboration between Morgan Stanley and MUFG.

Read more about MSISV on our [website](#).



130+

Companies that have participated in the program

\$30MM+

Capital allocated to companies and organizations through Inclusive & Sustainable Ventures since 2018*

⁴⁵ Data on this page is as of February 2025.

* All or a portion of the assets represented by this metric have been counted toward the firm's [Sustainable Finance Target](#).

Governance and Risk Management

Morgan Stanley's governance and business practices help foster client and stakeholder trust and to mitigate risk. We believe sustainability governance starts with leadership from the top, and is embedded in committees and other governance bodies, policies and procedures across the firm.

Sustainability Oversight

The firm's approach to sustainability governance is supported by the Firm Sustainability Committee, the Climate Risk Committee and the Sustainability Disclosure Committee. These firmwide committees are further supported by regional and business unit-specific committees that meet regularly to discuss and approve various sustainability-related matters.

Our Board committees have explicit oversight responsibilities for sustainability across the firm. The G&S Committee oversees sustainability matters and policies, as appropriate. In addition, the Audit Committee reviews the firm's voluntary public sustainability and climate disclosures; the Compensation, Management Development and Succession Committee assists the Board in its oversight of strategies, policies and practices related to our workforce; the Operations and Technology Committee assists the Board in its oversight of

operational risk, including information security, business disruption and resilience and cybersecurity risks; and the Risk Committee oversees climate risks. Our Board committees report to the full Board on matters within their remit, as appropriate.

Morgan Stanley believes that an effective board consists of a diverse group of individuals who possess a variety of complementary skills and a range of tenures. The G&S Committee and the Board regularly consider these skills in the broader context of the Board's overall composition, with a view toward constituting a board that has the best skill set and experience to oversee the firm's business and the broad set of challenges that it faces and reflects the diversity of the firm's workforce, its clients, the communities it serves, and other key stakeholders. For additional information on our sustainability governance, see our [2025 Proxy Statement](#).



Business Ethics

As a global financial institution, our ethical standards are an integral part of our governance framework. We reinforce our focus on integrity through our [Code of Conduct](#) and [Code of Ethics and Business Conduct](#), which guide the day-to-day behavior of our approximately 80,000 employees. Each employee is required, upon hire and annually thereafter, to certify that they have reviewed, understand and are in compliance with our Code of Conduct.

Morgan Stanley prohibits all forms of bribery and corruption. To help combat such practices, we have implemented policies, procedures and internal controls that are reasonably designed to comply with applicable anti-corruption laws and regulations in the jurisdictions where we operate. Our Global Anti-Corruption Policy, updated annually, lays out rules to mitigate corruption risk, and all employees receive related training periodically. We also provide additional targeted training for relevant employees and undertake risk-based monitoring and testing to encourage and assess employee compliance.

Morgan Stanley supports a professional work environment that prioritizes equal opportunity, dignity and respect. We expect every manager and employee to recognize differentiated points of view, make decisions based on merit and lead with integrity.

Our workplace policies set the tone by guiding employee conduct and actions. These policies include our Code of Conduct, Non-Discrimination and Anti-Harassment policies, and Global Speaking Up and Reporting Concerns policies. We also empower our employees to express their concerns, including through our confidential [Integrity Hotline](#), which is available worldwide.

Morgan Stanley's [Corporate Political Activities Policy Statement](#), which states our policies on U.S. political contributions, lobbying activities and trade association participation, is approved by the Board's Governance and Sustainability Committee. In accordance with the policy, in 2024, we did not make corporate contributions at the U.S. federal, state and local levels.



Stakeholder Engagement

We engage with stakeholders on a range of sustainability topics, as illustrated below.

STAKEHOLDER GROUP	FORMS OF ENGAGEMENT	2024 EXAMPLES
 Shareholders	▪ Ongoing dialogue with institutional investors ▪ Use of investor-focused voluntary reporting frameworks to inform this report ▪ Responses to inbound questions and surveys	Our GSO, Human Resources, and Environmental and Social Risk Management teams joined Investor Relations in engagements with institutional shareholders on sustainability topics throughout 2024. Discussions covered climate change, our workforce, firmwide strategy, and governance and compensation practices, among other topics.
 Clients	▪ Events and analysis on sustainable investing and finance topics ▪ Collaboration on new product development to meet client sustainability needs ▪ Ongoing dialogue with clients ▪ Responses to inbound questionnaires, requests for proposals, and surveys	We held several sustainability conferences for clients and other stakeholders globally, including the Morgan Stanley Sustainable Leadership Summit, which showcased leaders from across sectors to discuss the latest trends in sustainable investing and finance. The format included a mix of fireside chats, panels and breakout discussions, hosted by Morgan Stanley moderators across the firm. The event featured content from corporates, investors and Morgan Stanley's Institute for Sustainable Investing.
 Employees	▪ Employee networks, events and campaigns (see Employee Networks and Forums) ▪ Company intranet, which includes articles and other resources ▪ Employee surveys	During Sustainability Month, our Chief Sustainability Officer participated in a fireside chat to discuss a variety of topics. These included insights from the CSO role, how the firm's approach to sustainability helps deliver impact for clients, and how the firm is driving innovation across business units.
 Nongovernmental Organizations (NGOs) and Civil Society	▪ Morgan Stanley events ▪ One-on-one or small-group dialogues on sustainability topics, risks or emerging issues ▪ Direct involvement in collaborative initiatives and membership organizations (see Key Memberships and Affiliations below)	The Morgan Stanley Institute for Sustainable Investing and World Wildlife Fund hosted a roundtable to discuss the opportunities and challenges of the transition to a more nature- and climate-positive food system. Company executives, investors, development finance institutions and others discussed the estimated financial need to transform food systems; the opportunities and challenges of technology to drive efficiency; and how public-private partnerships can play a crucial role. For more information, visit our website.

KEY MEMBERSHIPS AND AFFILIATIONS

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> ▪ Business for Social Responsibility (BSR) ▪ Center for Climate and Energy Solutions (C2ES) ▪ Catalyst—CEO Champions for Change ▪ Corporate Eco Forum (CEF) ▪ Ceres | <ul style="list-style-type: none"> ▪ Global Impact Investing Network (GIIN) ▪ The IFRS Sustainability Alliance ▪ Impact Investing Institute (I3I) ▪ One Planet Summit—Asset Managers Initiative | <ul style="list-style-type: none"> ▪ Partnership for Carbon Accounting Financials (PCAF) ▪ Principles for Responsible Investment (PRI) ▪ Sustainable Markets Initiative (SMI) ▪ Sustainable Aviation Buyers Alliance (SABA) |
|---|---|---|

Employee Education and Engagement

Morgan Stanley offers educational opportunities on sustainability for our employees, helping equip them with skills and resources to understand their impacts on the firm and our clients. In addition to business unit-specific training, we have several relevant initiatives that are available to employees across the firm.

Sustainability Knowledge Hub: Launched in 2021, the Sustainability Knowledge Hub helps employees make well-informed, sustainability-related business decisions in a rapidly shifting global landscape. In 2024, SKH webinar topics included nuclear energy, the impacts of climate change and the economy, and financing for biodiversity and nature-based solutions.

Sustainability Month: Each April, the firm organizes several events focused on sustainability. In 2024, we held global and local events, including a panel discussion on the Circular Economy in New York and an e-waste collection drive across multiple offices.

Employee Sustainability Forum: Through a firmwide network with regional forums across the globe, employees have the opportunity to learn more about sustainable finance and how to incorporate sustainability into their daily lives. Through our India and London Employee Sustainability Forums, we hosted a zero-waste cooking class to promote sustainable consumption.



Risk Management

Risk is an inherent part of financial services, and effective risk management is vital to the success of our firm.

The cornerstone of our risk management philosophy is the pursuit of risk-adjusted returns through prudent risk-taking that protects our three business segments, capital base and franchise. This philosophy is implemented through our Enterprise Risk Management (ERM) framework and underscored by five key principles: integrity, comprehensiveness, independence, accountability and transparency.

For more information on risk management, including governance priorities, see our [2024 Form 10-K](#) and our [2025 Proxy Statement](#).

Addressing Environmental and Social Risk

Morgan Stanley supports clients around the world and across industries. To help Morgan Stanley deliver long-term value for our clients, shareholders, employees and other stakeholders, we employ comprehensive risk management policies that include the management of environmental and social risk. Our Environmental and Social Risk Management (ESRM) Group provides internal subject matter expertise on environmental and social risk, and manages the development and implementation of related policies and procedures, including the Environmental and Social Policy Statement and Statement on Human Rights. ESRM also conducts due diligence on relevant transactions and clients, engages with stakeholders, and monitors certain emerging risks and developments in partnership with our business units, GSO and other relevant control functions.

Morgan Stanley regularly engages with external and internal stakeholders on environmental and social topics. We review our policies annually and update them as necessary to reflect our strategy and key developments.

REVIEWING TRANSACTIONS

All prospective transactions are reviewed individually in a risk-based manner, pursuant to applicable law and regulation. Transactions that pose potential environmental and social risks are reviewed by the relevant business units and the ESRM Group. Our due diligence processes may include review of a company’s policies and practices, operations, track record and management of specific risks, engagement with the client and/or reports by or consultation with independent third parties, as appropriate. Transactions that carry potential franchise or other risks associated with environmental and social issues may also be escalated to business unit senior management and/or our Regional and Global Franchise Committees.

2024 Transactions by Industry Reviewed by the ESRM Group

INDUSTRY ⁴⁶	COMPLETED IN 2024
Utilities	238
Energy	139
Industrials	108
Materials	86
Consumer Discretionary	54
Financials	52
Information Technology	49
Real Estate	34
Consumer Staples	31
Communication Services	23
Health Care	23
TOTAL	837

HUMAN RIGHTS

Morgan Stanley acknowledges its corporate responsibility to respect human rights, as described in the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and associated conventions. Our approach is informed by the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

We conduct due diligence for transactions with potentially heightened human rights risks, including modern slavery, adverse impacts on Indigenous Peoples and vulnerable communities, involuntary resettlement and operations in conflict-affected areas. When human rights-related impacts are identified during due diligence, Morgan Stanley engages with clients to understand how such issues are being addressed, including plans for remediation and stakeholder engagement. Based on our assessment, certain transactions may be escalated to senior management.

Morgan Stanley’s Integrity Hotline provides employees and other stakeholders, including suppliers, with a mechanism to report and track concerns regarding potentially unlawful, improper or questionable conduct, including human rights and modern slavery-related concerns.

⁴⁶ The industry categories presented in this table are based on [The Global Industry Classification Standard®](#) sector classification.

Appendices

SASB Index⁴⁷

The Sustainability Accounting Standards Board (SASB) guidance for 1) Investment Banking and Brokerage, 2) Commercial Banking, and 3) Asset Management and Custody Activities helps inform the content, narrative and data included in this report. The following table highlights sections of the report and other public disclosures that include information related to SASB’s metrics as of the year ending December 31, 2024.

The SASB standards are now a part of the ISSB under the IFRS Foundation. Morgan Stanley is a member of the IFRS Sustainability Alliance, and is monitoring the standards being developed by the ISSB. We aim to provide investors with useful, relevant and meaningful sustainability information within the context of our businesses, and may evolve our disclosure on these topics over time.

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE ⁴⁸
Topic: Employee Diversity & Inclusion		
FN-IB-330a.1 FN-AC-330a.1	Percentage of 1) gender, and 2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	We disclose U.S. ethnicity representation; see the 2024 U.S. EEO-1 Data on our website . Additionally, we have internal policies focused on building an inclusive workforce that reflects our communities and our clients, and outline our efforts to support employees in the Our Workforce section.
Topic: Incorporation of Environmental, Social and Governance (ESG) Factors		
FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of ESG factors, by industry	Morgan Stanley does not disclose ESG revenue metrics at this time.
FN-IB-410a.2	(1) Number, and (2) total value of investments and loans incorporating integration of ESG factors, by industry	We are committed to mobilizing \$1 trillion toward sustainable solutions by 2030, which is inclusive of investments, loans and other products. Since 2018, we’ve mobilized over \$815 billion in capital toward our \$1 trillion goal, including over \$620 billion in low-carbon and green solutions. See the Sustainable Finance section for more information. For information on transactions that were reviewed by our Environmental and Social Risk Management Group (number of transactions reviewed, by industry), see the Addressing Environmental and Social Risk section.

⁴⁷ The SASB Index was not subject to Deloitte & Touche LLP’s review. As such, Deloitte & Touche LLP does not expresses a conclusion with respect to this Index nor its alignment to the SASB Standards.

⁴⁸ If a metric is not addressed in the report, we have provided links to public disclosures that include relevant information.

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE ⁴⁸
Topic: Incorporation of Environmental, Social and Governance (ESG) Factors		
FN-IB-410a.3	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	Institutional Securities' sustainability activities are provided in the Sustainable Finance section. Our approach to integrating climate considerations into lending decisions and credit evaluation is outlined in the Climate Strategy section. The ESRM review process and the number of transactions reviewed by the ESRM Group by industry can be found in the Addressing Environmental and Social Risk section.
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	FRM, in partnership with other areas of the firm, continues to focus on identifying and managing climate-related financial risks to limit their potential impact on Morgan Stanley. For more information, see the Climate Risk Management section.
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Wealth Management Investing with Impact Client Assets by Asset Class: ▪ Equity: ~\$52Bn ▪ Fixed Income: ~\$18Bn ▪ Cash Equivalents: ~\$90MM ▪ Other⁴⁹: ~\$19Bn ▪ Total: Nearly \$89Bn* Investment Management Over \$55 billion in AUM with Sustainability Features⁵⁰* For more information, see the Wealth Management section and the Investment Management section.
FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment or wealth management processes and strategies	Overview of our Wealth Management processes is provided in the Wealth Management section. For more information, see our Investing with Impact brochure. Overview of Morgan Stanley Investment Management processes is provided in the Investment Management section. For more information, see our Sustainable Investing Policy .
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	A high-level overview of Morgan Stanley Investment Management's stewardship practices is provided in the Investment Management section. In addition, see Morgan Stanley Investment Management Equity Proxy Voting Policy and Procedures and Calvert Research and Management's Global Proxy Voting Guidelines. Morgan Stanley Wealth Management does not have its own proxy voting policy. When Morgan Stanley Wealth Management clients waive proxy voting authority, what happens with the client's vote depends on whether their investment is through a third-party managed program or not. When a client waives proxy voting authority through a third-party program, the vote will be sent to the third-party money manager. When a client waives proxy voting authority through a Morgan Stanley managed program, the vote will be sent to ISS where they will vote on the client's behalf guided by ISS' benchmark policy. If a Morgan Stanley Wealth Management client opts to retain their voting rights, the client votes themselves (or hires a proxy voting service provider themselves to vote on their behalf).

⁴⁹ Other includes Third-Party Multi-Asset products, Custom Graystone + Dual Contract and Alternative Impact Products.

⁵⁰ This AUM figure includes funds and mandates with at least one of the following sustainability features: 1. impact objectives, 2. sustainability theme objectives, 3. tilts based on sustainability factors, 4. low-carbon or net-zero commitments. Parametric Portfolio Associates LLC AUM is not currently included in this figure.

* All or a portion of the assets represented by this metric have been counted toward the firm's [Sustainable Finance Target](#).

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE ⁴⁸
Topic: Business Ethics		
FN-IB-510a.1 FN-CB-510a.1 FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Material legal proceedings for the firm are disclosed starting on page 124 of our 2024 Form 10-K .
FN-IB-510a.2 FN-CB-510a.2 FN-AC-510a.2	Description of whistleblower policies and procedures	Review the Raising Legal, Regulatory and Ethical Concerns and Reporting Misconduct section of our Code of Conduct that defines the firm's policies and procedures.
Topic: Professional Integrity		
FN-IB-510b.1	(1) Number, and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Morgan Stanley does not disclose this metric at this time.
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	While Morgan Stanley does not disclose this metric at this time, refer to our 2024 Form 10-K , starting on page 124 regarding material legal proceedings.
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Morgan Stanley does not disclose this metric at this time. The firm's legal expenses are disclosed on page 124 of our 2024 Form 10-K .
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	Our Code of Conduct and Code of Ethics and Business Conduct describe our ethical business practices, guiding the day-to-day behavior of our employees worldwide. We require every employee to certify their adherence to, and understanding of, the Code of Conduct when joining the firm, and on an annual basis thereafter.
Topic: Systemic Risk Management		
FN-IB-550a.1 FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	See page 50 and 52 of our 2024 Form 10-K .
FN-IB-550a.2 FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	See page 53 as well as additional references to stress testing within our 2024 Form 10-K . Separately, with respect to climate risk, Morgan Stanley is conducting scenario analyses in the two major categories identified by TCFD: transition risk and physical risk. For more information, see the Climate Risk Management section.

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE ⁴⁸
Topic: Employee Incentives & Risk-taking		
FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	“Covered employees” are employees who, individually or as part of a group, have roles or responsibilities that may subject the firm to significant risks. In 2024, an average of 69% of total compensation was variable for covered employees, of which an average of 44% was awarded as deferred compensation. 100% of deferred compensation is subject to cancellation and clawback provisions. In addition, employees may be subject to disciplinary action, including reduction of cash bonuses or termination of employment, for violation of firm policies.
FN-IB-550b.2	Percentage of variable remuneration of MRTs to which malus or clawback provisions were applied	See above. For more information about Compensation Governance and Risk Management, see our 2025 Proxy Statement , starting on page 46.
FN-IB-550b.3	Discussion of policies around supervision, control and validation of traders’ pricing of Level 3 assets and liabilities	While Morgan Stanley does not disclose this information at this time, refer to our 2024 Form 10-K , starting on page 94, regarding valuation techniques for various fair value assets and liabilities.
Topic: Data Security		
FN-CB-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	For security and privacy reasons, Morgan Stanley does not disclose this metric. For more information on how Morgan Stanley informs clients and employees about how and why it collects personal information, see our Privacy Pledge .
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	An overview of our activities regarding data security risk are provided in our 2024 Form 10-K in the Cyber and Information Security Risk Management and Protection of Client Information section, starting on page 10 and the Operational Risk section and the Cybersecurity section, starting on page 71.
Topic: Financial Inclusion & Capacity Building		
FN-CB-240a.1	(1) Number, and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	While Morgan Stanley does not disclose the number and amount of loans outstanding that qualify for programs designed to promote small business and community development, we made over \$3 billion* in Community Reinvestment Act (CRA) qualified community development loans and investments in 2024. For additional information, see the Community Development Finance section. For more information about our Bank CRA Exams, please reference resources located on the OCC government website .
FN-CB-240a.2	(1) Number, and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programs designed to promote small business and community development	Morgan Stanley does not disclose this metric at this time.
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	This metric is not applicable due to Morgan Stanley’s business model.
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	This metric is not applicable due to Morgan Stanley’s business model.

* All or a portion of the assets represented by this metric have been counted toward the firm’s [Sustainable Finance Target](#).

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE ⁴⁸
Topic: Transparent Information & Fair Advice for Customers		
FN-AC-270a.1	(1) Number, and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Morgan Stanley does not disclose this metric at this time.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Material legal proceedings for the firm are disclosed starting on page 124 of our 2024 Form 10-K .
FN-AC-270a.3	Description of approach to informing customers about products and services	Each business unit is responsible for setting and managing appropriate policies and processes related to their marketing activities, which are subject to supervisory review in accordance with applicable promotion laws and regulatory obligations. We aim to manage risks in marketing and sales pursuant to the following guidelines: ▪ Communications to clients and the public must be fair and balanced, without exaggerated or misleading statements. ▪ Employees must use approved marketing materials and firm-approved messaging systems when conducting firm business. ▪ Financial Advisors must follow a compliance manual of internal sales practice standards, as well as adhere to all applicable laws and regulations. ▪ The firm monitors customer complaints. These are dealt with in accordance with relevant internal policies. Also refer to our Code of Conduct.
Topic: Financed Emissions		
FN-CB-410b.1 FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2, and (3) Scope 3	We disclose absolute gross financed emissions related to relationship and event-driven loans for six sectors within our corporate lending portfolio: the Aviation sector, Chemicals sector, Mining sector, Energy sector, Power sector and Auto Manufacturing sector. Separately, we disclose a physical intensity metric for these six sectors (Aviation, Chemicals, Mining, Energy—End Use, Energy—Operational, Power and Auto Manufacturing), as that guides our 2030 interim targets. Review the Climate Metrics and Targets section for more details.
FN-CB-410b.2	Gross exposure for each industry by asset class	Morgan Stanley does not disclose this metric at this time.
FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	Morgan Stanley does not disclose this metric at this time.

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE ⁴⁸
Topic: Financed Emissions		
FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation	Morgan Stanley does not disclose this metric at this time.
FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	Morgan Stanley does not disclose this metric at this time.
FN-CB-410b.4 FN-AC-410b.4	Description of the methodology used to calculate financed emissions	We disclose our methodology under the Climate Metrics and Targets section.
Activity Metrics		
FN-IB-000.A	(1) Number, and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	Per LSEG Data & Risk Analytics (formerly known as Refinitiv), our transaction volumes for 2024 were: (\$ in billions) ▪ Completed mergers and acquisitions: \$628 ▪ Equity and equity-related offerings: \$63 ▪ Fixed income offerings: \$323 For more information, see page 33 of our 2024 Form 10-K .
FN-IB-000.B	(1) Number, and (2) value of proprietary investments and loans by sector	While Morgan Stanley does not disclose our proprietary investments, see page 65 of our 2024 Form 10-K , where we disclose Institutional Securities Loans and Lending Commitments. Refer to page 102 of our 2024 Form 10-K for disclosure of our investments in Fund Interests associated with our Investment Management business segment.
FN-IB-000.C	(1) Number, and (2) value of market-making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products	Morgan Stanley does not disclose this metric at this time.
FN-CB-000.A	(1) Number, and (2) value of checking and savings accounts by segment: (a) personal, and (b) small business	This metric is not applicable due to Morgan Stanley's business model.
FN-CB-000.B	(1) Number, and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Small-business loans that incorporate sustainability factors are discussed in the Community Development Finance section. Our Investment Banking activity, which includes corporate lending, is discussed in the Investment Banking and Global Capital Markets section. We disclose loan portfolios by type; for more information, see starting on page 113 of our 2024 Form 10-K .
FN-AC-000.A	Total assets under management (AUM)	We disclose fee-based client assets under Wealth Management and Morgan Stanley Investment Management AUM; see pages 35 and 39, respectively, of our 2024 Form 10-K .
FN-AC-000.B	Total assets under custody and supervision	Total Client Assets, representing Wealth Management client assets and Morgan Stanley Investment Management AUM are provided in our 2024 Form 10-K , starting on page 28.

TCFD Index

The Task Force on Climate-Related Financial Disclosures (TCFD) was established by the Financial Stability Board following a mandate from the Group of Twenty (G20). The TCFD's recommendations aim to help companies provide actionable information on portfolios, client relationships and operations to investors, lenders and insurers.⁵¹ TCFD recommends that companies organize disclosures into four categories: Governance, Strategy, Risk Management, and Metrics and Targets. The following index highlights where content related to the TCFD Framework can be found in this year's report. The TCFD Framework is now a part of the ISSB under the IFRS Foundation. Morgan Stanley is a member of the IFRS Sustainability Alliance, and is monitoring the standards being developed by the ISSB. We aim to provide investors with useful, relevant and meaningful sustainability information within the context of our businesses, and may evolve our disclosure on these topics over time.

TCFD THEMATIC AREAS	TCFD RECOMMENDATIONS	MORGAN STANLEY REPORT LOCATION
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Location in this report ▪ Sustainability Oversight (page 45) ▪ Climate Risk Management (pages 28-30) Additional resources: ▪ Morgan Stanley Corporate Governance, Board Committees and Charters
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Location in this report ▪ Sustainability Oversight (page 45) ▪ Climate Risk Management (pages 28-30) - Climate Risk Governance (page 30) - Managing Climate Risks (page 29) Additional resources: ▪ Morgan Stanley Corporate Governance, Board Committees and Charters
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Location in this report: ▪ Climate Risk Management (pages 28-30) - Defining Climate Risks (page 28) - Time Horizons for Scenario Analysis (page 30) ▪ Sustainable Finance Target (pages 9-12)
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Location in this report: ▪ Climate Strategy (page 23) ▪ Our Climate Ambitions (pages 24-26)
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a two-degree-or-lower scenario.	Location in this report: ▪ Climate Strategy (page 23) ▪ Strive Toward Our Financed Emissions Targets (page 24)

⁵¹ <https://www.ifrs.org/sustainability/tcfid/>

(continued on next page)

TCFD THEMATIC AREAS	TCFD RECOMMENDATIONS	MORGAN STANLEY REPORT LOCATION
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Location in this report: ▪ Climate Risk Management (pages 28-30)
	b. Describe the organization's processes for managing climate-related risks.	Location in this report: ▪ Climate Risk Management (pages 28-30) - Managing Climate Risks (page 29)
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Location in this report: ▪ Climate Risk Management (pages 28-30) Additional resources: ▪ 2024 Form 10-K
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Location in this report: ▪ Our Climate Ambitions (pages 24-26) ▪ Climate Metrics and Targets (pages 31-36) ▪ Sustainable Finance (pages 9-20)
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Location in this report: ▪ Climate Metrics and Targets (pages 31-36) - Physical Intensity (page 32) - Absolute Financed Emissions (page 33) - Operational Emissions (page 36)
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Location in this report: ▪ Our Climate Ambitions (pages 24-26) ▪ Strive Toward Our Financed Emissions Targets (pages 24-25) ▪ Maintain Carbon Neutral Status (page 26) ▪ Climate Metrics and Targets (pages 31-36) Additional resources: ▪ Morgan Stanley's 2030 Interim Financed Emissions Targets

GFANZ Index

The following index maps relevant content in this report to elements of the voluntary Glasgow Financial Alliance for Net-Zero (GFANZ) transition plan framework for financial institutions. The GFANZ framework informs our evolving view around transition planning, however we do not follow all of the guidance listed below. We continue to make our business decisions independently and based on sound business principles and applicable law.

Guidance on transition planning is still developing. We will continue to monitor the advancement of voluntary frameworks, as well as any forthcoming regulatory developments on this topic.

GFANZ FRAMEWORK	GFANZ FRAMEWORK GUIDANCE	MORGAN STANLEY REPORT LOCATION, IF RELEVANT
Foundations	Objectives and priorities: - Define the organization's objectives to reach net-zero by 2050 or sooner in line with science-based pathways to limit warming to 1.5 degrees C. - State clearly defined and measurable interim and long-term targets and strategic timelines. - Identify the priority financing strategies of net-zero transition action to enable real-economy emissions reduction.	Location in this report: Climate Strategy (page 23) Climate Metrics and Targets (page 31) Sustainable Finance Target (page 9) Additional resources: Morgan Stanley's 2030 Interim Financed Emissions Targets
	Products and services: - Use existing and new products and services to support and increase clients' and portfolio companies' efforts to transition in line with 1.5 degrees C net-zero pathways. - Include accelerating and scaling the net-zero transition in the real economy, providing transition-related education and advice. - Support portfolio decarbonization in accordance with the institution's net-zero transition strategy.	Location in this report: Sustainable Finance (page 9) Mobilize Capital for Low-Carbon and Green Solutions (page 24) Strive Toward Our Financed Emissions Targets (page 24)
Implementation Strategy	Activities and decision-making: - Embed the financial institution's net-zero objectives and priorities in its core evaluation and decision-making tools and processes to support its net-zero commitment. - This applies to both top-down/oversight structures and bottom-up tools and actions.	Location in this report: Sustainability Oversight (page 45)
	Policies and conditions: - Establish and apply policies and conditions on priority sectors and activities, such as thermal coal, oil and gas, and deforestation. - Include other sectors and activities that are high-emitting, or otherwise harmful to the climate, to define business boundaries in line with the institution's net-zero objectives.	Location in this report: Addressing Environmental and Social Risk (page 49)

(continued on next page)

GFANZ FRAMEWORK	GFANZ FRAMEWORK GUIDANCE	MORGAN STANLEY REPORT LOCATION, IF RELEVANT
Engagement Strategy	Clients and portfolio companies: Proactively and constructively provide feedback and support to clients and portfolio companies to encourage net-zero-aligned transition strategies, plans and progress with an escalation framework with consequences when engagement is ineffective.	Location in this report: Climate Strategy (page 23) Strive Toward Our Financed Emissions Targets (page 24)
	Industry: Proactively engage with peers in the industry to: - As appropriate, exchange transition expertise and collectively work on common challenges, and - Represent the financial sector's views cohesively to external stakeholders, such as clients and governments.	Location in this report: Climate Policy (page 27) Trade Associations (page 27) Key Memberships and Affiliations (page 47)
	Government and public sector: - Direct and indirect lobbying and public-sector engagement should, in a consistent manner, support an orderly transition to net-zero, and, - As appropriate, encourage consistency of clients' and portfolio companies' lobbying and advocacy efforts with the institution's own net-zero objectives.	Location in this report: Climate Policy (page 27) Trade Associations (page 27) Key Memberships and Affiliations (page 47)
Metrics and Targets	Metrics and targets: - Establish a suite of metrics and targets to drive execution of the net-zero transition plan and monitor progress of results in the near, medium and long term. Include metrics and targets focused on: - Aligning financial activity in support of the real-economy net-zero transition - Executing the transition plan, and - Measuring changes in client and portfolio GHG emissions.	Location in this report: Climate Metrics and Targets (page 31) Our Climate Ambitions (pages 24–26) Sustainable Finance Target (page 9) Climate Risk Management (page 28)
Governance	Roles, responsibilities and remuneration: - Define roles for the board or strategy oversight body and senior management, ensuring they have ownership, oversight and responsibility for the net-zero targets. - Assign appropriate individuals and teams to all aspects of both design and delivery of the transition plan. Use remuneration incentives for all roles, where possible. - Review the transition plan regularly to ensure material updates/developments are incorporated, challenges are reviewed as an opportunity to correct course, and implementation risks are properly managed.	Location in this report: Sustainability Oversight (page 45) Climate Risk Management (page 28)
	Skills and culture: - Provide training and development support to the teams and individuals designing, implementing and overseeing the plan so they have sufficient skills and knowledge to perform their roles (including at the board and senior management levels). - Implement a change management program and foster open communication to embed the net-zero transition plan into the organization's culture and practices.	Location in this report: Employee Education and Engagement (page 48) Climate Policy (page 27)

Financed Emissions Methodology[▲]

Calculation Formulas

For our Absolute Financed Emissions (AFE) metric, we apply the following calculation approach:

$$\sum_c \frac{\text{Lending Outstanding Amount}_c}{\text{Enterprise Value including Cash (EVIC)}_c} \times \text{Annual GHG Emissions}_c$$

C denotes company within sector portfolio
Note: Total Company Debt + Total Company Equity is used in place of EVIC for private companies.

For our Physical Intensity metric, we apply the following calculation approach:

$$\sum \frac{\text{Client Lending Commitment}}{\text{Total Sector Lending Commitment}} \times \frac{\text{Annual Client Emissions}}{\text{Annual Client Production}}$$

Refer to our [Methodology for 2030 Interim Financed Emissions Targets](#) for additional information on the physical intensity metric target design.

Consolidation Approach

For the purpose of accounting and reporting GHG emissions, Morgan Stanley adopts the Operational Control approach as defined by the GHG Protocol for consolidating GHG emissions. Under this approach, Morgan Stanley accounts for 100% of the GHG emissions from operations over which it has operational control. Morgan Stanley accounts for the firm's proportional share of the emissions associated with outstanding relationship and event-driven client lending facilities, for which the firm does not have operational control, as absolute financed emissions (AFE) within Scope 3, Category 15. The lending facilities included in our AFE calculation are limited to those within the Auto Manufacturing, Aviation, Chemicals, Energy, Mining and Power sectors within our corporate lending portfolio.

Calculation Approach

As informed by the Business Loans asset class guidance within the PCAF Global GHG Accounting and Reporting Standard (2022), AFE related to these outstanding facilities are attributed to Morgan Stanley on the basis of our share of lending relative to the client's company value for public companies (i.e., Enterprise Value Including Cash (EVIC) (based on our third-party vendor's methodology)) or total company debt plus total company equity for private companies (based on Morgan Stanley's methodology), as applicable, generally as of December 31 of each reporting year. However, the client company value inputs may not always be directly aligned to December 31 of the reporting year and may vary based on the client data available as of the

date of our AFE calculation as well as based on the methodology of our third-party data vendor.

For example, the number of clients' outstanding shares utilized in the determination of EVIC represents the most current shares publicly available as of the end of the reporting year (e.g., December 31, 2022), which may differ from the actual outstanding shares at that point in time. Furthermore, certain of our clients have a fiscal year-end that is different from the calendar year-end used as our reporting period. In such instances, we utilize the information from the client's most recent annual financial reporting within our calculation without adjustment. There may also be differences in the methodologies or inputs used by third-party data providers to derive company financial values, which could lead to variances to similar internally derived data points.

[▲] The information within this appendix was subject to Deloitte & Touche LLP's review, with the exception of the physical intensity metrics and the associated information herein. As such, Deloitte & Touche LLP does not express a conclusion with respect to the physical intensity metrics or associated information herein. See the [Independent Accountant's Review Report](#).

Given the inherent complexities and data limitations associated with the current scope 3 emissions reporting landscape which could lead to inconsistencies and lack of comparability, our third-party data vendor also uses estimation to model certain industry-specific scope 3 emissions values in lieu of using company-disclosed scope 3 values. This may result in differences between the vendor's estimates and the company-disclosed information for the same data points.

Greenhouse Gases

Morgan Stanley receives carbon emissions values for our clients from a third-party data vendor. The data vendor aggregates all constituent gases that are reported by companies, which could include: CO₂ (Carbon Dioxide), CH₄ (Methane), N₂O (Nitrous Oxide), HFCs (Hydrofluorocarbons), PFCs, SF₆ or NF₃. In instances where carbon emissions data is not provided by the companies or the data vendor, carbon emissions are estimated using a revenue-based industry-specific carbon-intensity proxy.

This proxy is derived by the data vendor on CO₂-equivalent emissions through application of the global warming potentials (GWPs) from the IPCC Fourth Assessment Report (AR4) to the non-carbon greenhouse gases. We thus report our AFE and physical intensity metrics on a CO₂-equivalent basis. Biogenic emissions are not applicable to our financed emissions calculations at this time.

Revision Policy

There may be instances in which we identify changes to previously reported data due to restatements in third-party or client data, error corrections, or changes in our calculation methodology. We quantify the change to the reported data metrics, and in accordance with Morgan Stanley's Financed Emissions Disclosure Revision Policy, we will publicly revise the data point if the change is determined to be +/- 5% of total reported Absolute Financed Emissions (AFE) for the reporting year, and may publicly revise if the change is determined to be +/- 5% of the reported sector physical intensity metric value for the reporting year.

Data Limitations

The use of client emissions data continues to have significant limitations and challenges. Refer to our [2022 Report](#) "Climate Data Limitations and Challenges" section on pages 58-59 for a detailed discussion of issues that remain relevant to our AFE and physical intensity financed emissions calculations.

Operational Emissions Methodology[▲]

For the purpose of accounting and reporting GHG emissions, Morgan Stanley adopts the Operational Control approach as defined by the GHG Protocol for consolidating GHG emissions. Under this approach, Morgan Stanley accounts for 100% of the GHG emissions from operations over which it has operational control. This includes all owned or leased facilities that the company occupies and all vehicles that the firm owns or leases and operates. Morgan Stanley equity method investments, along with investment funds and other managed entities and their respective portfolio companies and assets, are excluded under this boundary.

Morgan Stanley assesses its base year periodically, at least annually, to determine if an update is required. The base-year inventory will be adjusted in response to any structural or methodology changes if the resulting adjustment is more than 5% of the Operational Emissions' total base-year emissions disclosed. In the current year, Morgan Stanley has selected a new base year of 2023, which will be subject to this periodic assessment going forward. Among other considerations, 2023 was selected as it reflects the first recent inventory in which operational emissions are not overtly influenced by the coronavirus pandemic and are inclusive of actual emissions due to the Eaton Vance and E*Trade acquisitions.

On an annual basis, Morgan Stanley calculates the firm's GHG emissions inventory: CO₂ (Carbon Dioxide), CH₄ (Methane), N₂O (Nitrous Oxide), HFCs (Hydrofluorocarbons). The firm currently

has no emissions from PFCs, SF₆ or NF₃. Biogenic emissions are not applicable to our business. The 2024 emissions of non-CO₂ greenhouse gases are calculated as CO₂-equivalent emissions by applying the global warming potential (GWPs) from the IPCC Fifth Assessment Report (AR5).

GHG emissions are calculated using third-party software, with factors applied based on location and emission source. There are exceptions for some GHG emission calculations, which are performed external to the third-party software, including Scope 1 mobile combustion and Scope 3 Category 6 (Business Travel) emission sources and their related GHG emissions.

In most instances, the most up-to-date emission quantification factors are sourced from international and national environmental authorities across the globe (including but not limited to the International Energy Agency (IEA); United States Environmental Protection Agency (EPA); United Kingdom Department for Environmental, Food & Rural Affairs (DEFRA); and others) and applied to respective regions. An exhaustive list of emission factors and their sources is provided in the table below.

Where available, Morgan Stanley gathers actual emission source activity data such as utility invoice data or local meter readings. For office facilities where activity data is not available, Morgan Stanley estimates emissions by adopting the method of energy use intensity factors developed from Commercial Buildings Energy Consumption Survey (CBECS), according to building type and region.

For data centers, estimation intensity factors for Scope 2 emissions are based on consumption of electricity to operate information technology hardware using data center facility power usage effectiveness ratio. Landlord overhead emissions at data centers are determined to be Scope 3 Category 8 emissions, which are not reported by Morgan Stanley.

Scope 2 market-based emissions are calculated including the impact from Renewable Energy Certificates (RECs) from our Virtual Power Purchasing Agreement (VPPA) and Energy Attribute Certificates (EACs) from renewable power systems.

For Scope 3 Category 6 (business travel) and Scope 1 mobile combustion, data is collected from suppliers and publicly available emission factors are used to estimate emissions. Scope 3 Category 13 (downstream leased assets) emissions are derived through the allocation of the tenant's (lessee's) portion of Scope 1 and Scope 2 emissions where Morgan Stanley (lessor) does not have operational control. The tenant's allocated portion is determined using information from either sublease agreements, activity data from local metering or activity data from invoices.

As data is collected, there will be instances where data may be missing due to delays in data availability. When data is not available to perform necessary GHG calculations due to invoice delays by utility vendors or similar third parties, estimates are made using the estimation methodology described above to bridge gaps in measured data.

[▲] The information within this appendix was subject to Deloitte & Touche LLP's review. See the [Independent Accountant's Review Report](#).

Emission Factor Sources for 2024 Reporting Period

SCOPES	EMISSION SOURCES/COVERED ACTIVITIES FOR 2024 REPORTING PERIOD	EMISSION FACTOR SOURCES (PUBLISHED DATE)
Scope 1	Stationary Combustion: Natural Gas, Diesel, Propane	EPA GHG Emission Factors Hub 2024 (2024)
	Mobile Combustion: Jet Fuel	EPA GHG Emission Factors Hub 2024 (2024)
	Refrigeration/AC Equipment Use: R-290, R-404A, R-407C, R-410A, HCFC-22, HCF-134A	100-year GWPs from IPCC Fifth Assessment Report (AR5), (2014)
Scope 2	Location-Based Electricity	U.S.: EPA eGRID 2022 database (2024) Canada National Inventory Report (2024) United Kingdom: DEFRA 2024 (2024) Australia: National Greenhouse Gas Accounts (NGA) Factors 2024 (2024) Other International: IEA Emission Factors 2022 (2024) national factors Fuel cell emission factor determined by fuel cell natural gas consumption multiplied by natural gas factor from EPA Emissions Hub Factors 2024 (2024) divided by electricity produced
	Market-Based Electricity	Association of Issuing Bodies Residual Mix 2023 (2024) Other International: IEA Emission Factors 2022 (2024) national factors Fuel cell emission factor determined by fuel cell natural gas consumption multiplied by natural gas factor from EPA Emissions Hub Factors 2024 (2024) divided by electricity produced
	Purchased Steam	EPA GHG Emission Factors Hub 2024 (2024)
	Purchased Cooling	Chilled Water: 2006 Building Energy Data Book—Commercial Equipment Efficiencies, applied to the local electric grid emissions factor from sources listed under Scope 2
	Natural Gas	EPA GHG Emission Factors Hub 2024 (2024)
Scope 3: Category 6 Business Travel	Air Travel, Chartered Flights, Rail Travel, Car Services, Car Rentals, Reimbursed Mileage, Public Transportation	EPA GHG Emission Factors Hub 2024 (2024) Greenhouse Gas Reporting: Conversion Factors DEFRA 2024 (2024)
Scope 3: Category 13 Downstream Leased Assets	Emissions from stationary combustion, purchased steam, purchased cooling, and electricity consumption	Region-specific emission factors from sources listed in Scopes 1 and 2

Independent Accountant's Review Report

Management's Assertion

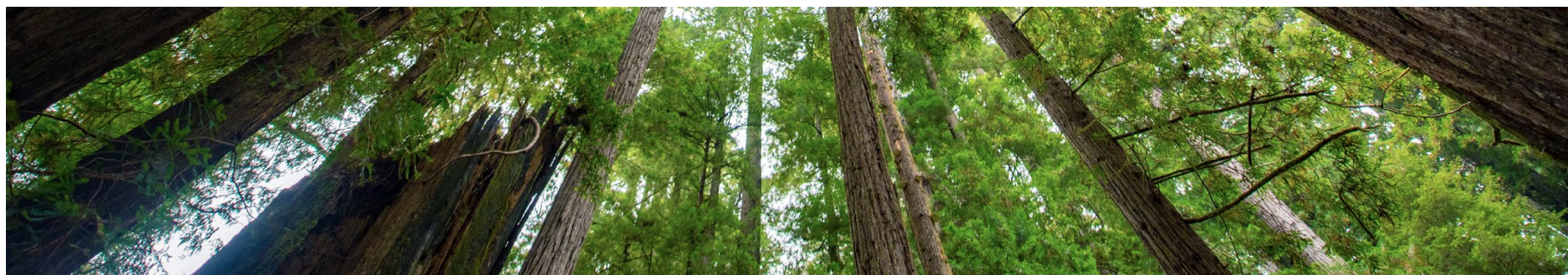
We engaged Deloitte & Touche LLP (“Deloitte”) to perform a review engagement on management’s assertions that (1) the Absolute Financed Emissions for the Auto Manufacturing, Power, Energy, Aviation, Chemical and Mining sectors for the year ended December 31, 2023 included within the Morgan Stanley 2024 Sustainability Report (referred to as “2023 Absolute Financed Emissions”) are presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development (the “GHG Protocol”), (2) the Absolute Financed Emissions for the Aviation, Chemical and Mining sectors for the year ended December 31, 2022 included within the Morgan Stanley 2024 Sustainability Report (referred to as “2022 Absolute Financed Emissions”) are presented in accordance with the GHG Protocol, and (3) the Scope 1, Scope 2, Scope 3 Category 6 (Business travel), and Scope 3 Category 13 (Downstream leased assets) Greenhouse Gas Emissions metrics for the year ended December 31, 2024 included within the Morgan Stanley 2024 Sustainability Report (referred to as “2024 Operational Emissions”) are presented in accordance with the GHG Protocol. The 2023 Absolute Financed Emissions, 2022 Absolute Financed Emissions, and 2024 Operational Emissions are collectively referred to as the subject matter (the “subject matter”). The GHG Protocol is referred to as the criteria (the “criteria”).

Information outside of the subject matter was not subject to Deloitte & Touche LLP’s review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the latest period presented for the subject matter within the Morgan Stanley 2024 Sustainability Report, or information relating to forward-looking statements, targets, goals,

progress against goals, and linked information was not subject to Deloitte & Touche LLP’s review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. See Deloitte’s report starting on the next page.

Management of Morgan Stanley is responsible for the completeness, accuracy and validity of the

subject matter. Management is also responsible for the collection, quantification and presentation of the information included in the 2024 Sustainability Report and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the subject matter. Management of Morgan Stanley asserts that the subject matter are presented in accordance with the criteria.





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INDEPENDENT ACCOUNTANT'S REPORT

To Those Charged with Governance:

We have reviewed the assertions of Morgan Stanley management as follows: (1) its Absolute Financed Emissions for the Auto Manufacturing, Power, Energy, Aviation, Chemical, and Mining sectors for the year ended December 31, 2023 included within the Morgan Stanley 2024 Sustainability Report (referred to as "2023 Absolute Financed Emissions") are presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development (the "GHG Protocol"), (2) its Absolute Financed Emissions for the Aviation, Chemical, and Mining sectors for the year ended December 31, 2022 included within the Morgan Stanley 2024 Sustainability Report (referred to as "2022 Absolute Financed Emissions") are presented in accordance with the GHG Protocol, and (3) its Scope 1, Scope 2, Scope 3 Category 6 (Business travel), and Scope 3 Category 13 (Downstream leased assets) Greenhouse Gas Emissions metrics for the year ended December 31, 2024 included within the Morgan Stanley 2024 Sustainability Report (referred to as "2024 Operational Emissions") are presented in accordance with the GHG Protocol. The 2023 Absolute Financed Emissions, 2022 Absolute Financed Emissions, and 2024 Operational Emissions are collectively referred to as the subject matter (the "subject matter"). The GHG Protocol is referred to as the criteria (the "criteria"). Morgan Stanley management is responsible for its assertion. Our responsibility is to express a conclusion on the subject matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be presented in accordance with the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether the subject matter is presented in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures, inquiries, and other procedures as we considered necessary in the circumstances. For a selection of the subject matter, we performed tests of mathematical accuracy of computations, compared the specified information to underlying records, or observed the data collection process.

The preparation of the subject matter included within the Morgan Stanley 2024 Sustainability Report requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts and metrics may include estimates and assumptions that are subject to substantial inherent measurement uncertainty, including for example, the accuracy and precision of conversion factors or estimation methodologies used by management. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The selection by management of a different but acceptable measurement method, input data, or model assumptions, may have resulted in materially different amounts and metrics being reported.

Information outside of the subject matter was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the latest period presented for the subject matter within the Morgan Stanley 2024 Sustainability Report, or information relating to forward-looking statements, targets, goals, progress against goals, and linked information was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to the subject matter in order for it to be presented in accordance with the criteria.

/s/ Deloitte & Touche LLP

November 5, 2025

IMPORTANT NOTICES

FORWARD-LOOKING STATEMENTS

Certain statements herein, including expectations related to targets, goals, aspirations, objectives, initiatives, plans or approaches such as financed emissions targets, including interim targets, commitments and the achievement thereof as well as scenario analyses, may be “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results or actions may differ from anticipated targets, goals, aspirations, objectives, initiatives, plans and approaches set forth in the forward-looking statements. These statements are not historical facts or statements of current conditions, but instead are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences and involve certain known and unknown risks, uncertainties and assumptions that are difficult to predict and are often beyond our control. In addition, this report contains statements based on hypothetical scenarios and assumptions, which may not occur or differ significantly from actual events, and these statements should not necessarily be viewed as being representative of current or actual risk or forecasts of expected risk.

Actual results and financial conditions may differ materially from those included in these statements due to a variety of factors, including, among others, data quality and availability; global socio-demographic, political and economic conditions and trends; energy prices; technological innovations; climate-related conditions and weather events; counterparty and client behavior, including the ability to reach climate targets and execute on transition plans, and financial health; the evolution of consumer behavior; insurance applicability; legislative and regulatory changes; the need for thoughtful climate policies; the challenge of balancing short-term targets with the need to facilitate an orderly transition and energy security; our ability to retain and attract qualified employees in a competitive environment for talent; the potential impact of legal and regulatory obligations; and other unforeseen events or conditions; and the precautionary statements included in this report and those contained in Morgan Stanley’s periodic filings with the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934, as amended (Exchange Act). Certain forward-looking statements included in this report are also based on assumptions, standards, metrics, methodologies and frameworks for measurement, reporting and analysis of climate change that continue to evolve, vary across jurisdictions and regulatory bodies, and are the subject of proposed regulatory changes in multiple jurisdictions, which may have a material impact on our future measurement and reporting, as well as the results of the efforts set forth in this report. Any forward-looking statements made by or on behalf of Morgan Stanley speak only as to the date they are made, and Morgan Stanley does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

MATERIALITY

The disclosures included in this report are being provided to the public in an effort to provide transparency into our sustainability initiatives and to further enhance our collective understanding of sustainability issues. Our approaches to the disclosures included in this report differ in significant ways from those included in mandatory regulatory reporting, including under SEC rules and regulations.

Information within this report may be presented from a different perspective or in more detail than disclosures mandated by our global regulators. In particular, while the foregoing discussion describes potential future events that may be significant or material (based on disclosure recommendations and broader definitions of materiality used by certain voluntary external frameworks and reporting guidelines or those in non-U.S. jurisdictions), the significance or materiality of those potential events should not be read as equating to or rising to the level of materiality as defined under U.S. federal securities laws, including as the concept is used in Morgan Stanley’s periodic filings with the SEC under the Exchange Act. In addition, any discussion of forward-looking statements in this report is not an indication that the subject or information is material to Morgan Stanley for U.S. federal securities laws and regulations reporting purposes. We continue to monitor the climate disclosure landscape and evolve our reporting accordingly.

USE OF THIRD-PARTY INFORMATION AND ESTIMATES

No reports, documents or websites that are cited or referred to in this report shall be deemed to form part of this report. In addition, certain information contained in this report has been derived from publicly available information released by third-party sources, which Morgan Stanley believes to be reasonable, although Morgan Stanley has only been able to complete limited validation. Third-party climate information may not reflect the latest or most accurate data. To the extent that such third-party information we use is subsequently determined to be erroneous or otherwise not in keeping with best practices, it may affect our disclosures. Additionally, in the absence of company-specific emissions data, some financed emissions will be estimated using emissions and activity factors provided by third-party sources or derived by Morgan Stanley. Certain third-party information, such as scope 3 emissions and emissions factors, may change over time as methodologies evolve and are refined or current data changes or is restated or new data is added. Our ability to measure progress toward our targets, goals, aspirations, objectives, initiatives, plans or approaches is subject to the quality and availability of such data, as discussed in this report. These and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by third parties and by Morgan Stanley.

Given the inherent uncertainty of the estimates, assumptions and timelines contained in this report, we may not be able to anticipate whether or the degree to which we will be able to meet our

targets, goals, aspirations, objectives, initiatives, plans or approaches in advance. Morgan Stanley also cannot guarantee that the data provided in its reports will be consistent year over year, as data quality, particularly climate-related data, improves. This data should not be interpreted as any form of guarantee or assurance of accuracy, future results or trends, and Morgan Stanley makes no representation or warranty as to third-party information.

OTHER DISCLOSURES

The information provided in this report reflects Morgan Stanley’s approach to sustainability as of the date of this report and is subject to change without notice. We do not undertake to update any such information in this report. Any references to “sustainable investing,” “sustainable,” “sustainability” or similar terms in this report are intended as references to the internally defined criteria of the firm or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition. This report is not intended, nor can it be relied upon, to create legal relations, rights or obligations.

This report is provided for informational purposes only and is not intended as advertising or marketing material, or as a recommendation to purchase or sell any security, asset, product or service. There is no assurance that targets, goals, aspirations, objectives, initiatives, plans or approaches stated in this report (including interim targets) will be achieved or result in positive measurable outcomes. Information contained in this report, including targets, goals, aspirations, objectives, initiatives, plans and approaches, and their related frameworks or methodologies, are subject to change without notice.

This report does not provide individually tailored investment advice. The information in this report is not intended to be comprehensive and does not constitute investment, financial, economic, accounting, legal or tax advice or recommendations.

Morgan Stanley, its affiliates, Financial Advisors and Private Wealth Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning, and their attorney for matters involving trust and estate planning and other legal matters.

Individual funds and client accounts may have specific sustainability-related goals and restrictions that affect sustainability integration. Refer to governing documents of individual vehicles to understand their binding sustainability criteria. Sustainability strategies that incorporate impact investing and/or sustainability factors could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. As a result, there is no assurance sustainability strategies could result in more favorable investment performance. The case study examples are provided for illustrative purposes only. There is no assurance that the engagements will be successful and/or result in positive investment outcomes.

For more information about Morgan Stanley,
visit **morganstanley.com**.

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