



PUBLIC TRANSPARENCY REPORT

2023

Morgan Stanley Investment Management

Generated 15-12-2023

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Morgan Stanley Investment Management (“MSIM”) investment teams act as responsible long-term investors and are responsive to both the risks and opportunities presented to investment portfolios by environmental, social and governance (“ESG”) factors, in a manner that is consistent with our fiduciary duties and the investment strategies of our clients. MSIM refers to the collective subsidiaries of Morgan Stanley in its Investment Management division. Certain subsidiaries of Morgan Stanley, including but not limited to Calvert Research and Management and Parametric Portfolio Associates LLC, may differ in their approach to ESG investing and maintain separate sustainability policies. MSIM's commitment to sustainability is expressed in three key ways:

(i) Stewardship and Engagement: Deploying shareholder rights and stakeholder guidance on behalf of our clients to encourage relevant, strong ESG practices with issuers, borrowers and counterparties, as appropriate.

(ii) Sustainability Expertise in Investment Management: Considering ESG factors, as appropriate, for certain MSIM investment strategies, asset classes and client needs. These efforts are supported by specialist resources in sustainability regulation and policy, strategic initiatives, stewardship, and sustainability data due diligence and technology innovation. Some investment strategies do not integrate ESG where it is not currently feasible or appropriate to do so (e.g., certain passive investment strategies, certain asset allocation strategies or where requested by clients).

(iii) Sustainable Investing Solutions: Providing our clients with investment solutions that are aligned with their returns objectives alongside their sustainability preferences and needs.

The strength of MSIM lies in the independence of its diverse investment teams united in their commitment to delivering compelling investment results for our clients over the long term.

Our decentralized investment approach allows investment teams to tailor their approach to sustainability using multiple factors including, but not limited to, the objectives of the product, asset class and investment time horizon, as well as the specific research and portfolio construction, philosophy and process used by that team. Investment teams deploy their skill and judgment in assessing the materiality of ESG-related risks and opportunities as appropriate for each investment strategy. Through our MSIM ESG Committee (established as of May 2023), we ensure that sustainable and responsible investing is integrated into our purpose and beliefs as an investment management firm, and that all senior decision makers are engaged in executing on our business strategy in this regard. With our acquisition in early 2021 of Calvert Research and Management and Parametric Portfolio Associates, we expect to rapidly expand our sustainable investing offerings for clients in the years to come. Notwithstanding this acquisition, as of the date of this report MSIM, Calvert Research Management and Parametric Portfolio Associates have not yet fully integrated and as such ESG investing and research remain separate.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

MSIM's approach to stewardship is driven by our investment teams and differentiated across strategies and asset classes. In 2021/2022, we drove our strategic vision forward, making strides in our integration with Eaton Vance, as we continue to synchronise our businesses, products and sustainability and stewardship approach. To that end, we are in the process of implementing enhanced sustainability oversight and governance, risk management and controls to support our increasing stewardship activities across our business.

For example, as part of MSIM's 2022 sustainability and resource enhancements, the Global Head of Sustainability for Investment Management, in collaboration with the MSIM EMEA COO team, created a lead responsible for Sustainability Oversight for MSIM by establishing an ESG control framework which seeks to ensure processes are in place to monitor product/investment commitments. MSIM also continuously seeks to improve and enhance our stewardship methods and frameworks and in 2022 we delivered on our commitment to revise annual proxy policy updates to the first quarter of each year as opposed to the third quarter to ensure the policy is updated ahead of each proxy season.

MSIM implemented this change in Q1 of 2022 including clarifications on our expectations of issuers with regards to board diversity and accountability for boards failing to meet this expectation. In doing so, we also clarified our general approach to voting on environmental and social issues, highlighting certain key elements and the expectation for enhanced transparency.

During 2022 we also continued to leverage the strengths of our Eaton Vance affiliates including Calvert Research and Management and Parametric Portfolio Associates LLC.

Following MSIM's acquisition of Eaton Vance, the Fixed Income investment platforms of both businesses have been integrated into one. As a result, the Fixed Income team now comprises portfolio managers, credit analysts and portfolio specialists from both the legacy MSIM business and Eaton Vance, working together across the platform's investment teams. The investment approaches of the Fixed Income platform are largely unchanged – other than an increased focus on sustainability. Collaboration with Calvert Research and Management (EV affiliate) is also in progress, leveraging sustainability-related research capabilities.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Over the next two years, MSIM aims to invest in increasing our sustainability resources, including within data/technology and specialist personnel. In addition, we aim to improve sustainability knowledge of all our current staff through commencing regular sustainable investing-focused training programs.

We also aim to further adopt and strengthen sustainability policy documents at firm, asset class and investment team levels. Additionally, we aim to grow the number of sustainable investing products and solutions available to our clients particularly through our subsidiaries Calvert Research and Management and Parametric Portfolio Associates.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Rui de Figueiredo (Co-Head and Chief Investment Officer of the Solutions & Multi-Asset Group) & Tatiana Segal (Global Head of Risk & Analysis)

Position

Co-Chairs of MSIM ESG Committee

Organisation's Name

Morgan Stanley Investment Management

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.2	CORE	OO 2.1	N/A	PUBLIC	Subsidiary information	GENERAL

How many subsidiaries of your organisation are PRI signatories in their own rights?

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

List any subsidiaries of your organisation that are PRI signatories in their own right and indicate if the responsible investment activities of the listed subsidiaries will be reported in this submission.

		(1) Yes, the responsible investment activities of this subsidiary will be included in this report	(2) No, the responsible investment activities of this subsidiary will be included in their separate report
(A) Signatory name:	Calvert Research and Management	<input type="radio"/>	<input checked="" type="radio"/>
(B) Signatory name:	Parametric Portfolio Associates LLC	<input type="radio"/>	<input checked="" type="radio"/>

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 1,564,887,862,684.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 421,766,218,875.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>10-50%	0%
(B) Fixed income	>10-50%	0%
(C) Private equity	>0-10%	0%
(D) Real estate	>0-10%	0%
(E) Infrastructure	>0-10%	0%
(F) Hedge funds	>0-10%	>0-10%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>50-75%	0%
(J) Off-balance sheet	0%	0%

(I) Other - (1) Percentage of Internally managed AUM - Specify:

Liquidity, Commodities, Managed Futures, Multi-Asset

ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

(1) Segregated mandate(s)**(2) Pooled fund(s) or pooled investment(s)**

(H) Hedge funds

>50-75%

>10-50%

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative >0-10%

(C) Active – fundamental >75%

(D) Other strategies 0%

ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

Provide a further breakdown of your internally managed fixed income AUM.

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >10-50%

(D) Active – corporate >10-50%

(E) Securitised >10-50%

(F) Private debt 0%

ASSET BREAKDOWN: INTERNALLY MANAGED PRIVATE EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 PE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed private equity	GENERAL

Provide a further breakdown of your internally managed private equity AUM.

(A) Venture capital >0-10%

(B) Growth capital >0-10%

(C) (Leveraged) buy-out >0-10%

(D) Distressed, turnaround or special situations >0-10%

(E) Secondaries >10-50%

(F) Other >10-50%

(F) Other - Specify:

No comment

ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

Provide a further breakdown of your internally managed real estate AUM.

(A) Retail	>0-10%
(B) Office	>10-50%
(C) Industrial	>10-50%
(D) Residential	>10-50%
(E) Hotel	>0-10%
(F) Lodging, leisure and recreation	0%
(G) Education	0%
(H) Technology or science	0%
(I) Healthcare	>0-10%
(J) Mixed use	>0-10%
(K) Other	>0-10%

(K) Other - Specify:

Senior Living - 1%
Land - 3%
Self Storage - 3%

ASSET BREAKDOWN: INTERNALLY MANAGED INFRASTRUCTURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 INF	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed infrastructure	GENERAL

Provide a further breakdown of your internally managed infrastructure AUM.

(A) Data infrastructure >10-50%

(B) Diversified 0%

(C) Energy and water resources >0-10%

(D) Environmental services >0-10%

(E) Network utilities 0%

(F) Power generation (excl. renewables) >10-50%

(G) Renewable power >10-50%

(H) Social infrastructure >0-10%

(I) Transport >10-50%

(J) Other 0%

ASSET BREAKDOWN: INTERNALLY MANAGED HEDGE FUND

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 HF	CORE	OO 5	OO 11	PUBLIC	Asset breakdown: Internally managed hedge fund	GENERAL

Provide a further breakdown of your internally managed hedge fund assets.

(A) Multi-strategy >10-50%

(B) Long/short equity >75%

(C) Long/short credit 0%

(D) Distressed, special situations
and event-driven fundamental 0%

(E) Structured credit 0%

(F) Global macro 0%

(G) Commodity trading advisor 0%

(H) Other strategies 0%

MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

What percentage of your organisation's externally managed assets are managed by PRI signatories?

0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(2) >0 to 10%
(D) Fixed income – securitised	(1) 0%
(F) Private equity	(2) >0 to 10%
(G) Real estate	(1) 0%
(H) Infrastructure	(3) >10 to 20%
(I) Hedge funds	(1) 0%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(3) Fixed income - active	(5) Private equity	(6) Real estate
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	(7) Infrastructure	(8) Hedge funds	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(D) We do not conduct stewardship

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- (A) Yes
 (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(11) >90 to <100%

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(B) Listed equity - active - quantitative

(C) Listed equity - active - fundamental

(E) Fixed income - SSA

(F) Fixed income - corporate

(G) Fixed income - securitised

(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(L) Hedge funds - Multi-strategy	<input checked="" type="radio"/>	<input type="radio"/>
(M) Hedge funds - Long/short equity	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Liquidity, Commodities, Managed Futures, Multi-Asset	<input checked="" type="radio"/>	<input type="radio"/>

EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?

(1) Yes, we incorporate ESG factors when selecting external investment managers

(2) No, we do not incorporate ESG factors when selecting external investment managers

(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
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EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

(1) Yes, we incorporate ESG factors when appointing external investment managers

(2) No, we do not incorporate ESG factors when appointing external investment managers

(H) Hedge funds



EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

(1) Yes, we incorporate ESG factors when monitoring external investment managers

(2) No, we do not incorporate ESG factors when monitoring external investment managers

(H) Hedge funds



ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

Describe how your organisation incorporates ESG factors into the following asset classes.

Internally managed
(C) Other

Within our Solutions ☐ Multi-Asset business, there is one labeled sustainable fund that applies ESG tilts, includes a small impact allocation and is net-zero aligned. Other mandates within our Solutions ☐ Multi-Asset business may apply ESG exclusions or tilts at the request of clients as this part of our business tends to be highly customized.

ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone	>10-50%
(B) Thematic alone	>10-50%
(C) Integration alone	>10-50%
(D) Screening and integration	>10-50%
(E) Thematic and integration	>10-50%
(F) Screening and thematic	>10-50%

(G) All three approaches combined >10-50%

(H) None >10-50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only >10-50%

(B) Negative screening only >10-50%

(C) A combination of screening approaches >10-50%

FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?

(1) Fixed income - SSA (2) Fixed income - corporate (3) Fixed income - securitised

(A) Screening alone 0% 0% 0%

(B) Thematic alone 0% 0% 0%

(C) Integration alone	>75%	>50-75%	>75%
(D) Screening and integration	>0-10%	>10-50%	>10-50%
(E) Thematic and integration	0%	0%	0%
(F) Screening and thematic	0%	0%	0%
(G) All three approaches combined	>0-10%	>0-10%	>0-10%
(H) None	0%	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Positive/best-in-class screening only	0%	0%	0%
(B) Negative screening only	>75%	>75%	>75%
(C) A combination of screening approaches	>0-10%	>0-10%	>0-10%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>10-50%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Additional information: (Voluntary)

We believe (Q) A should be a range 0-50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?

Percentage of your total environmental and/or social thematic bonds labelled by the issuers

(A) Green or climate bonds	>50-75%
(B) Social bonds	>0-10%
(C) Sustainability bonds	>0-10%
(D) Sustainability-linked bonds	>10-50%
(E) SDG or SDG-linked bonds	>0-10%
(F) Other	>0-10%
(G) Bonds not labelled by the issuer	>0-10%

(F) Other - Specify:

2% - This refers to investments in the World Bank's (IBRD) "Sustainable Development Bonds", which are general corporate purpose bonds intended to finance both green and social projects in line with the World Bank's goals of eliminating extreme poverty and promoting shared prosperity, and the Sustainable Development Goals.

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(G) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(L) Hedge funds – Multi-strategy	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(M) Hedge funds – Long/short equity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(AA) External manager selection, appointment and monitoring (SAM) – hedge funds	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

OTHER ASSET BREAKDOWNS

PRIVATE EQUITY: SECTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 22	CORE	OO 21	N/A	PUBLIC	Private equity: Sectors	GENERAL

In which sector(s) are your internally managed private equity assets invested?

- (A) Energy
- (B) Materials
- (C) Industrials
- (D) Consumer discretionary
- (E) Consumer staples
- (F) Healthcare
- (G) Financials
- (H) Information technology
- (I) Communication services
- (J) Utilities
- (K) Real estate

PRIVATE EQUITY: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 23	CORE	OO 21	N/A	PUBLIC	Private equity: Ownership level	GENERAL

What is the percentage breakdown of your internally managed private equity investments by the level of ownership?

- (A) A majority stake (more than 50%)
- (B) A significant minority stake (between 10–50%)**
 - Select from the list:
 - (1) >0 to 10%
 - (2) >10 to 50%
 - (3) >50 to 75%
 - (4) >75%**
- (C) A limited minority stake (less than 10%)

REAL ESTATE: BUILDING TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 24	CORE	OO 21	RE 1, RE 9 - 10	PUBLIC	Real estate: Building type	GENERAL

What is the building type of your physical real estate assets?

- (A) Standing investments**
- (B) New construction**
- (C) Major renovation**

REAL ESTATE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 25	CORE	OO 21	N/A	PUBLIC	Real estate: Ownership level	GENERAL

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- (A) A majority stake (more than 50%)
 Select from the list:
- (1) >0 to 10%
 - (2) >10 to 50%
 - (3) >50 to 75%
 - (4) >75%
- (B) A significant minority stake (between 10–50%)
 Select from the list:
- (1) >0 to 10%
 - (2) >10 to 50%
- (C) A limited minority stake (less than 10%)
 Select from the list:
- (1) >0 to 10%
 - (2) >10 to 50%

REAL ESTATE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 26	CORE	OO 21	RE 1, RE 6–8, RE 13	PUBLIC	Real estate: Management type	GENERAL

Who manages your physical real estate assets?

- (A) Direct management by our organisation
- (B) Third-party property managers that our organisation appoints
- (C) Other investors or their third-party property managers
- (D) Tenant(s) with operational control

INFRASTRUCTURE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 27	CORE	OO 21	N/A	PUBLIC	Infrastructure: Ownership level	GENERAL

What is the percentage breakdown of your organisation's infrastructure assets by the level of ownership?

- (A) A majority stake (more than 50%)
Select from the list:
- (1) >0 to 10%
 - (2) >10 to 50%
 - (3) >50 to 75%
 - (4) >75%
- (B) A significant minority stake (between 10–50%)
Select from the list:
- (1) >0 to 10%
 - (2) >10 to 50%
- (C) A limited minority stake (less than 10%)

INFRASTRUCTURE: STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 28	CORE	OO 21	N/A	PUBLIC	Infrastructure: Strategy	GENERAL

What is the investment strategy for your infrastructure assets?

- (A) Core
 (B) Value added
 (C) Opportunistic
 (D) Other

INFRASTRUCTURE: TYPE OF ASSET

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 29	CORE	OO 21	INF 1	PUBLIC	Infrastructure: Type of asset	GENERAL

What is the asset type of your infrastructure?

- (A) Greenfield
- (B) Brownfield

INFRASTRUCTURE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 30	CORE	OO 21	Multiple, see guidance	PUBLIC	Infrastructure: Management type	GENERAL

Who manages your infrastructure assets?

- (A) Direct management by our organisation
- (B) Third-party infrastructure operators that our organisation appoints
- (C) Other investors, infrastructure companies or their third-party operators
- (D) Public or government entities or their third-party operators

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
 - (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

<https://www.morganstanley.com/im/publication/resources/msim-sustainable-investing-policy-en.pdf?1692277379173>

(B) Guidelines on environmental factors

Add link:

https://www.morganstanley.com/content/dam/msdotcom/en/about-us-governance/pdf/Environmental_and_Social_Policy_Statement.pdf

(C) Guidelines on social factors

Add link:

https://www.morganstanley.com/content/dam/msdotcom/en/about-us-governance/pdf/Environmental_and_Social_Policy_Statement.pdf

(D) Guidelines on governance factors

Add link:

[https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689,](https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689)

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

https://www.morganstanley.com/content/dam/msdotcom/en/about-us-governance/pdf/Environmental_and_Social_Policy_Statement.pdf

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

Add link:

https://www.morganstanley.com/content/dam/msdotcom/en/about-us-governance/pdf/Environmental_and_Social_Policy_Statement.pdf

(J) Guidelines on exclusions

Add link:

https://www.morganstanley.com/content/dam/msdotcom/en/about-us-governance/pdf/Environmental_and_Social_Policy_Statement.pdf

(K) Guidelines on managing conflicts of interest related to responsible investment

Add link:

[https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689,](https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689)

(L) Stewardship: Guidelines on engagement with investees

Add link:

[https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689,](https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689)

(O) Stewardship: Guidelines on (proxy) voting

Add link:

[https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689,](https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689)

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

https://www.morganstanley.com/im/publication/resources/proxyvotingpolicy_msim_en.pdf?1583844799689

- o (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- o (C) We rely on the policy of our external service provider(s)
- o (D) We do not have a policy to address (proxy) voting in our securities lending programme
- o (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment
 (B) Guidelines on environmental factors
 (C) Guidelines on social factors
 (D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(C) Private equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%

- (10) >90% to <100%
- (11) 100%
- (D) Real estate
 - (1) Percentage of AUM covered
 - (1) >0% to 10%
 - (2) >10% to 20%
 - (3) >20% to 30%
 - (4) >30% to 40%
 - (5) >40% to 50%
 - (6) >50% to 60%
 - (7) >60% to 70%
 - (8) >70% to 80%
 - (9) >80% to 90%
 - (10) >90% to <100%
 - (11) 100%
- (E) Infrastructure
 - (1) Percentage of AUM covered
 - (1) >0% to 10%
 - (2) >10% to 20%
 - (3) >20% to 30%
 - (4) >30% to 40%
 - (5) >40% to 50%
 - (6) >50% to 60%
 - (7) >60% to 70%
 - (8) >70% to 80%
 - (9) >80% to 90%
 - (10) >90% to <100%
 - (11) 100%
- (F) Hedge funds
 - (1) Percentage of AUM covered
 - (1) >0% to 10%
 - (2) >10% to 20%
 - (3) >20% to 30%
 - (4) >30% to 40%
 - (5) >40% to 50%
 - (6) >50% to 60%
 - (7) >60% to 70%
 - (8) >70% to 80%
 - (9) >80% to 90%
 - (10) >90% to <100%
 - (11) 100%
- (I) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%**
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

Some of our clients have segregated mandates where they are responsible for voting.

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

(A) Board members, trustees, or equivalent

(B) Senior executive-level staff, or equivalent

Specify:

It is the investment teams' responsibility to define their approach to consideration of ESG factors. Many of our investment teams or asset class platforms have appointed at least one dedicated Sustainable Investing/ESG specialist to co-ordinate and support this work for the relevant group

(C) Investment committee, or equivalent

Specify:

MSIM has established an ESG Committee co-chaired by the MSIM Co-Head and Chief Investment Officer of the Solutions & Multi-Asset Group and MSIM's Global Head of Risk & Analysis. The Committee consists of senior representatives from MSIM's Sustainability team, Office of the Chief Operating Officer and other advisory and related functions who oversee and guide MSIM's support for the sustainable investment strategies of each investment business.

(D) Head of department, or equivalent

Specify department:

Led by MSIM's Global Head of Sustainability, the MSIM Sustainability team supports MSIM's collective sustainable and governance processes. This group works with the sustainability leads from our investment teams to co-ordinate global sustainable investing and stewardship initiatives

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input type="checkbox"/>	<input type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input type="checkbox"/>	<input type="checkbox"/>
(H) Guidelines on exclusions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

(A) Yes

Describe how you do this:

MSIM's activity is coordinated through the firmwide Government Relations Department and MSIM's advocacy on sustainable investing matters is overseen by the Firm ESG Committee.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

- Head of department
- Portfolio managers
- Investment analysts
- Dedicated responsible investment staff

- (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Explain why: (Voluntary)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Explain why: (Voluntary)

Where required by regulation, such as the EU SFDR, the UCITS9F10 Directive or MiFID II10F11, our local entities have adopted remuneration policies to promote sound and effective risk management with respect to sustainability risks, including discouraging excessive risk-taking with respect to sustainability risks. Risk is considered at every stage of the compensation planning process, from the initial determination of the bonus pool, down to individual compensation decisions. Remuneration policies adopted according to regulations are publicly available for MSIM Fund Management (Ireland) Limited, Morgan Stanley Europe SE and Morgan Stanley SGR S.p.A.

Though the implementation of stewardship is currently not a formal part of employee development plans, we are currently exploring options to enhance and formalise this as part of internal governance and regulatory expectations to ensure stronger linkage and correlation between stewardship in employees' work activities and performance, and reward programmes.

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment**
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures**
- (B) Yes, including all strategy-related recommended disclosures**
- (C) Yes, including all risk management-related recommended disclosures**
- (D) Yes, including all applicable metrics and targets-related recommended disclosures**
- (E) None of the above

Add link(s):

https://www.morganstanley.com/im/publication/resources/msim_climate_report_2022.pdf

https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/Morgan_Stanley_2022_ESG_Report.pdf

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

https://www.morganstanley.com/content/dam/msdotcom/en/about-us-governance/pdf/Environmental_and_Social_Policy_Statement.pdf

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) **Not applicable; we do not have a strategic asset allocation process**

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income	(3) Private equity	(4) Real estate	(5) Infrastructure	(6) Hedge funds
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

Engagement is a valuable tool for our teams to deepen their insight and understanding of an issuer and the sector or asset class more broadly. MSIM investment teams work to ensure that shareholder engagement is effective and works in the best interests of clients to improve the long-term returns from the companies in which they invest. Although MSIM does not have centralised investment beliefs across asset classes and strategies, there are certain parallels in the chosen approach to engagement across our various investment teams, which reflect our core values as a firm and our determination to act as responsible long-term investors

Investment teams generally seek to engage constructively with company management to encourage improved disclosure, behaviour change, and (where appropriate) target-setting.

- 1) If those efforts prove unsuccessful, they may escalate their issues or concerns to one or more members of the board of directors.

- 2) Following that, our public equity teams have the option of voting against management proposals, board directors or supporting shareholder resolutions.

- 3) Investment teams prefer one-on-one engagements directly with senior management/board directors as they are the most effective way to articulate views to, and engage in constructive discussion with, a company's management.

Notwithstanding one-to-one engagements with senior management/board directors we are also supportive of collaborative engagement where such engagement appears necessary to materially enhance portfolio values and likely to deliver tangible outcomes in relation to key sustainability or stewardship-related issues, provided we can do so in a manner that is in full compliance with applicable laws, regulations and judicial precedents.

The Fixed Income team has established an Engagement Strategy applicable across debt issuers, which defines the criteria for prioritising and targeting engagement with bond issuers.

On an annual basis, the team identifies an 'engagement pipeline' of issuers that we intend to initiate or conduct follow-up engagement with. The list covers our holdings globally, and is determined on a clear set of criteria, including but not limited to the following:

- the size of our bondholding across portfolios, or for a specific portfolio with sustainability objectives;
- whether the issuer has poor ESG scores or ratings;
- if the investment is a high-carbon emission holding;
- whether there is strong operational misalignment with the UN Sustainable Development Goals (SDGs) associated with MSIM's thematic focus areas (Decarbonisation & Climate Risk, Decent Work & Resilient Jobs, Circular Economy & Waste Reduction, and Diverse & Inclusive business); and,
- if the company is linked to severe controversies such as violations of the UN Global Compact or broader governance issues.

We understand that the various fixed income asset classes are at different stages of development of their sustainability practices and ESG disclosure, and we adapt our engagement approach and expectations accordingly (details provided in our Fixed Income Engagement Strategy). The team assesses the success of the engagement by the quality of dialogue taking place and evaluates the receptiveness of issuers to recommendations put forward by our team on improving specific ESG issues. Our research analysts will grade the momentum and outcome of engagements based on the issuer's willingness to engage, progress on key identified issues, display positive momentum, and demonstrate transparency.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

MSIM's investment teams engage with portfolio companies and generally find that one to one discussions are a more effective way to articulate our views to a company's management. However, we are supportive of collaborative engagement where such engagement appears necessary or useful to materially enhance portfolio values and where we can do so in a manner that is in full compliance with applicable laws, regulations and judicial precedents. Other factors that we will consider before participating in collaborative actions include, but are not limited to: potential conflicts of interest, materiality of the issue and the likelihood of delivering tangible outcomes in relation to key sustainability or stewardship-related issues. In addition, at the request of our investment teams, our Global Stewardship Team may join selective collaborative efforts to enhance our understanding of a company or to amplify our message, as well as broader initiatives that promote the sustainability and stability of the global financial system.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes

Select from the below list:

- (1) in all cases
- (2) in a majority of cases**
- (3) in a minority of cases

(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear

(C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed

(D) We do not review external service providers' voting recommendations

(E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

(A) We recall all securities for voting on all ballot items

(B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

(C) Other

Specify:

In cases in which MSIM believes the right to vote outweighs the revenue received, we reserve the right to recall the shares on loan on a best efforts basis.

(D) We do not recall our securities for voting purposes

(E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes

Add link(s):

<https://www.morganstanley.com/im/en-us/financial-advisor/about-us/proxy-voting/vote-summary-report.desktop.html>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company		

(C) We did not publicly or privately communicate the rationale, or we did not track this information

o

o

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

o

o

(A) Yes, we publicly disclosed the rationale - Add link(s):

<https://www.morganstanley.com/im/en-us/financial-advisor/about-us/proxy-voting/vote-summary-report.desktop.html>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

MSIM retains ISS and Glass Lewis to obtain information on corporate governance, proxy voting and issuer research; however, we do not outsource proxy voting decision-making to either firm. The primary services they provide to MSIM are vote execution of our proxy decisions, reporting (ISS) and meeting-level research (Glass Lewis). MSIM is responsible for ensuring that all voting instructions from its investment teams and clients are communicated to ISS and we have controls in place to ensure instructions communicated electronically are accurately recorded in ISS systems for execution (including scenarios where votes have been split because of client preference or differing investment team convictions).

This includes a confirmation report for every vote data feed sent to ISS and an automated end-of-day reconciliation of votes instructed, between ISS and MSIM systems.

Additionally, MSIM reviews on a monthly basis a vote audit report provided by ISS, confirming the execution status for all meetings. The Global Stewardship Team also conducts ex-post reviews to confirm that ISS has accurately implemented voting instructions.

MSIM performs due diligence reviews on retained proxy advisers on an annual basis and the reviews are conducted onsite by members of the Global Stewardship and Proxy Teams and MSIM Compliance. The focus of annual diligence meetings tends to revolve around timeliness and quality of research, particularly on emerging sustainability topics.

Though we do not rely on proxy advisers' vote recommendations, we do expect accuracy in the underlying research provided in their proxy reports. When we identify any errors in the underlying research, MSIM's Stewardship Team will contact the firms' Head of Research (or equivalent) to point out a potential error. If we are correct, the vendor will publish an update to the report to reflect the identified error. We will also seek assurances from vendors that they are taking reasonable steps to reduce the likelihood of such an error recurring in future. We will generally also provide feedback to our proxy advisers on an ad hoc basis, on how they can improve their services to better suit our and our clients' needs.

If any material issues were to arise in connection with the quality or continuity of service we receive from these providers, we will take steps to escalate and address them in line with the Firm-wide policies and procedures summarised above.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

	(1) Listed equity	(2) Direct listed equity holdings in hedge fund portfolios
(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(F) Divesting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Litigation	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other

Specify:

As an escalation mechanism, the Fixed Income team may also extend the engagement to equity investment teams, to leverage the full MSIM exposure across the issuer's capital structure. In addition, very severe issues, which may have an impact on the franchise, would be escalated to the MSIM ESG Committee, Morgan Stanley Global Sustainability Office, and the Environmental and Social Risk Management (ERSM) group, for their guidance.

- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	OO 8, OO 5.3 FI	N/A	PUBLIC	Stewardship: Escalation	2

Describe your approach to escalation for your internally managed SSA and/or private debt fixed income assets.

(A) SSA - Approach to escalation

As investors in the Sovereign, Supranational and Agency (SSA) debt market, we seek to leverage our voice beyond engagement with corporates. Given that the size of the sovereign bond market is over double that of corporates,¹⁹ we believe there is significant opportunity to help shape sustainable financing agendas toward achieving the targets set out in the United Nation's 2030 Sustainable Development Goals. The latest COP26 conference also highlighted the need for governments to work on raising the bar on their Nationally Determined Contributions (NDCs) to support a global decarbonisation pathway aligned with the objectives of the Paris Agreement.

As a result, our engagement with SSA issuers has been structured around:

- Emissions reduction commitments for countries through their NDCs;
- How sustainable bond issuances can catalyze additional financing toward environmental and social projects at the national and local level, in particular for emerging countries; and
- How development institutions and local agencies can help set best practice on impact measurement and reporting, using the SDGs as the main outcome reporting framework.

The Fixed Income team may escalate SSA engagements by either trying to do a follow-up meeting with more senior government representatives, if applicable and/or feasible, or involving additional local stakeholders.

We may also raise the issues of concern alongside other investors as part of a structured collaborative engagement initiative. In some cases, repeated, unsuccessful engagements in relation to a material issue may contribute to a decision to decrease or exit a holding, as a last resort.

As an example of escalation through collaboration, the Emerging Markets Debt team has recently joined an advocacy campaign through the Emerging Markets Investor Alliance (EMIA) to bring our engagement with a state-owned oil company to the next level. The company has been involved in UN Global Compact violations for a protracted period, and it is also lagging behind other major state-owned energy companies in terms of establishing a clear low carbon transition approach. This, in turn, also detracts from the credibility of the government's climate plans.

We think it is important to understand the decision-making process for each issuer.

Depending on the concern being raised, some issuers can take prompt action, however certain topics, specifically for SSAs, require a larger time frame to see progress. In any case, we would ask for evidence of action over a reasonable timeframe. Any severe issues related to an engagement process, which may impact the firm's ability to do business with clients in the country, would be immediately escalated to the MSIM ESG Committee, the relevant MS/MSIM Country Head, and Global Franchise Risk group.

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
 - (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations**
- (C) We provided technical input via government- or regulator-backed working groups**

Describe:

Morgan Stanley is a member of the International Capital Market Association (“ICMA”), and a supporter of their Green and Social Bond Principles (“GBP/SBP”). MSIM looks at ICMA's principles and guidelines as best practice frameworks in the sustainable bond market, and some members of the Fixed Income Sustainable Investing team take part in selected meetings of the GBP/SBP working groups, such as the Impact Reporting working group, alongside other investors and market participants. Additional examples of policymaker engagement can be found on page 44 of Morgan Stanley 2022 ESG Report.

- (D) We engaged policy makers on our own initiative**

Describe:

The Fixed Income team continues to engage bilaterally with policymakers globally, through the Emerging Markets Debt (EMD) team. The purpose of our engagement with government officials, regulators and other stakeholders, is to gain insight into a country's policies and direction of change, but also to share our knowledge of best practices to help increase transparency and efficiency in local capital markets, and promote progress of sovereign issuers towards the Sustainable Development Goals (SDGs). For example, in Q4 2022, the EMD team engaged with the Deputy Minister of Finance, Deputy Director, and Deputy Head of Division of the Debt Management Office of a Central Asian Country which we monitored for involvement in social violations. The purpose of the engagement was to discuss the implementation of the government's social policies, and the extent to which they help ensure food security and support for socio-economically vulnerable communities in the context of wheat price liberalization, as well as compliance with sanctions. The government is collaborating with development partners on the roll-out of a more targeted social transfers mechanism, with a combination of recurring and additional one-off support to vulnerable groups. This positive momentum is also reflected in improving country-level social and governance data from the World Bank.

- (E) Other methods**

Describe:

World Benchmarking Alliance (“WBA”)
MSIM joined the World Benchmarking Alliance in 2022. The WBA is a global organisation that works to drive change within 2,000 of the world's largest companies by assessing and ranking them publicly on their performance. They focus on seven key areas, including climate change and just transition, social, biodiversity, food, digital, urbanisation and finance. Our goal in joining WBA is to co-operate with other investors on key issues across the Sustainable Development Goal (SDG) Space.

The WBA also provides an excellent benchmarking tool to use to drive changes with companies and a network for partnership and community building.

Progress

The Head of ESG Research for our International Equity team attended the WBA Assembly in July 2022 which addressed the theme of “Community Building”, exploring the potential of global and diverse partnerships to drive action on sustainable development. As it is still early stages, no significant outcomes have transpired, however MSIM plans to continue taking part in roundtables and events with key global sustainability stakeholders.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/Morgan_Stanley_2022_ESG_Report.pdf
<https://reporting.unpri.org/survey/939ff649-b97a-4ecb-92b8-8a94f859772d/question/35a613fe27bf4eb3b9ffd2831f5ba631/>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Engagement with a High Yield Private Debt Collector

(1) Led by

- (1) Internally led**
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) **Environmental factors**
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) **Fixed income**
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

The MSIM Fixed Income team engaged with an Italian utility company that has an extensive gas transmission network, to encourage increased CapEx spending into upgrading its gas pipelines for hydrogen use.

The engagement was satisfactory, given that the company is an early mover in the energy transition space, and a key player in the preparation of a European hydrogen network. The company has shifted its strategic goals from improving the efficiency of its traditional gas network towards setting a long-term target to transport entirely decarbonised gas, and has recently developed partnerships with railway operators to improve the possibility of hydrogen mobility by rail.

The company backed this effort through the issuance of labelled transition and sustainability-linked bonds.

As such, the team considered the company to be exhibiting positive momentum with respect to its efforts to transition towards transporting renewable sources of energy. The company's transition strategy was also beneficial to seek to avoid stranded asset risk, at a relatively low cost. The team decided to invest in one of the company's transition bonds, given the use of proceeds was specifically intended to upgrade the company's gas network and enable hydrogen transport. The team maintains an overweight position on the name, and encourages it to continue the shift towards transporting cleaner fuels.

(B) Example 2:

Title of stewardship activity:

Engagement on Environmental factors

(1) Led by

- (1) **Internally led**
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) **Environmental factors**
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) **Listed equity**
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Example from MSIM's international equity team

The Issue

Opaque and complex supply chains, a result of outsourcing production to cheaper labour markets, can lead to ESG-related risks falling outside global companies' direct control. The international equity team believes failure to adequately manage this issue poses regulatory, reputational and commercial risks. In the apparel and footwear industry, a lack of raw material traceability can pose a material risk to the sustainability of a company's long-term returns.

As first covered in "A Question of Sourcing" (Engage Autumn 2022), we engaged on supply chain management with a sporting goods company held in the portfolio that was named as one of the well-known global brands whose suppliers allegedly used forced labour in their supply chain, and sought to understand the steps it is taking to mitigate supply chain risks.

The company is making significant efforts to improve traceability.

Its monitoring and transparency practices have been recognised in independent human rights assessments by the World Benchmarking Alliance and Know the Chain and its anonymous worker feedback programme was recognised by a leading human rights organisation as best practice for capturing issues in the supply chain. 100% of the company's suppliers have shared their data, allowing the company to understand strengths and opportunities across their supply chain and identify areas where more support is needed. What we would like to see now is greater disclosure, and continued progress towards full traceability.

Our Actions:

As described in the team's previous Engage report, we supported a shareholder resolution in 2021 that asked the company to produce a report on the human rights impact of its cotton sourcing practices.

Following this vote the team engaged with the company, including encouraging them to explore partnering with Oritain, one of several companies offering tracing technologies that help verify suppliers' claims on origin and traceability.

In September 2022 the company faced a further shareholder resolution related to sourcing, which we made the decision to abstain from; while we believe the company could make further improvements (which we explored in the engagement that followed, our second with them in 2022), the request within the resolution was impractical.

Outcome:

The company conducts monitoring and reporting on supplier factories where the garments are assembled, but currently has less visibility over earlier stages in the supply chain, such as cotton production, spinning and weaving.

They noted that they are working with a range of third parties to improve working conditions in their supply chains through the use of audits, remediation, and capability building efforts.

While they have a policy of not sourcing anything from Xinjiang – and have made this clear to the factories they use – they are reliant on their suppliers adhering to this.

For any instances of noncompliance within their factories, there is a remediation and escalation process in place: any reported issues are immediately investigated with the aim of correction. If the factory fails to make progress, it is subject to review and sanctions, including potential termination.

There is now a team of seven at the company dedicated to traceability, including new hires in their supply chain team with human rights expertise. In line with our earlier suggestion, they now work with Oritain to verify suppliers' claims of origin.

The company agreed to share more information on supply chain responsibility when we next engage with them in Spring 2023; given the material risk this issue presents, our engagement remains ongoing and we will continue to encourage further progress.

(C) Example 3:

Title of stewardship activity:

Engagement on Governance – Executive Compensation

- (1) Led by
 - **(1) Internally led**
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
 - (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors**
- (3) Asset class(es)
 - (1) Listed equity**
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Example from MSIM's International Equity Team

The Issue

As long-term investors we want the companies we hold in our portfolios to have schemes in place that encourage longer-term thinking over short-term opportunism. While there is no magic formula which can be uniformly applied to companies across all sectors and industries, given our history of portfolio manager-led engagement with companies on the subject of pay, we have identified certain practices which we typically like to see.

We favour incentive schemes that have goals aligned with shareholder interests, and which are structured on sensible and disciplined performance-based targets that cannot be easily manipulated in the short term. As companies begin to incorporate ESG components in their pay plans, we look out for those that use this as a way to actively progress their relevant material long-term environmental and social objectives, rather than schemes with unambitious targets or which lack transparency.

Our Actions:

As persistent critics of the company's pay structure, we had voted against its pay plan at their annual general meeting due to the inclusion of non-IFRS9 earnings, the short vesting period, and an insufficient degree of performance-based targets.

While the company had moved away from rewards being cash settled to shares, we were not convinced this was sufficient to warrant a "for" vote, given aspects of the plan could detract from long-term shareholder value in our view. Furthermore, we pressed for both long- and short-term incentives to be aligned with their relevant material ESG priorities and targets.

In September 2022, we met with the company's Supervisory Board to discuss changes to the executive compensation scheme. Improvements had been made, with greater disclosure on the quantum of targets and metrics employed in the plan.

In particular, we consider the 20% deferral of annual bonus and the end of retention bonuses a positive outcome from our previous engagement. On ESG metrics, we were pleased to see that 20% of both the long-term and short-term incentive plan is allocated to ESG targets (Net Zero 2030 and Diversity targets).

Outcome

While the company has made positive changes, we expressed dissatisfaction that targets are still based on non-IFRS numbers which exclude share-based compensation.

The company also shared with us that the performance aspect of pay excluded mergers and acquisitions (M&A) – we asked that they make this explicit in their pay plan. We intend to keep encouraging, via both engagement and our voting activity, more sensible operating metrics that we believe should help the company's share price performance in the long run.

(D) Example 4:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

MSIM has a decentralized investment management operating model, with investment teams conducting business largely independent of each other. The independent Global Risk Analysis team conducts central risk assessments across the business, some of which are presented in this section. The GRA team monitors emerging risks in the market and expects climate-related risks and opportunities to typically impact over the following time horizons: 0-2 years: Short term 2-10 years: Medium term 10+ years: Long term. However, investment teams may use their own interpretation appropriate to their investment strategies across different asset classes on the time horizons they expect climate-related risks and opportunities to impact their products. This section focuses on the climate-related risks and opportunities we expect to materially impact our portfolio companies and therefore our business over the above-noted time horizons.

In our ongoing strategic vision to deliver long-term value to clients, we recognize the importance of identifying, understanding and managing climate-related risks and opportunities that impact our business, both as an investment manager and a corporate entity, where appropriate. Climate-related risks and opportunities are typically grouped into two categories through which they might have a material impact on any of our portfolio companies or on MSIM as a standalone entity.

TRANSITION RISKS AND OPPORTUNITIES

The financial impact associated with the consequences of transitioning to a low-carbon economy. The response to climate change will result in changes to society and the economy driven by governments, industries and consumers as society adapts to climate change and mitigates its causes.

These changes present transition risks and opportunities that may be linked to policy constraints, resource restrictions, technology trends, market demand and supply shifts.

PHYSICAL RISKS

The financial impact associated with extreme weather events (acute) and long-term changes in climate patterns (chronic). Specifically, physical risks may impact investors in our funds through deterioration in valuation of investments caused by disruption to operations or destruction of properties.

Mitigating risks associated with these impacts may also present opportunities for portfolio companies and MSIM as a standalone entity.

RISKS

We acknowledge that our largest exposure to climate risk is indirect and arises from the physical and transition risks affecting the companies and securities in which we invest.

These risks could affect companies and securities in myriad ways, which ultimately may impact investors in our funds and MSIM through, for instance, changing portfolio valuation. Additionally, we have identified several direct climate risks which may impact MSIM as a corporate entity and investment manager over different time horizons.

CLIMATE-RELATED OPPORTUNITIES

The transition to a lower-carbon economy may also present opportunities for investment managers.

These opportunities could manifest directly, by growing MSIM's business through new products and services. Additionally, opportunities may arise indirectly through the financial outperformance of companies and securities that manage climate risk effectively. In this section, we present some potential opportunities, based on the TCFD classifications, where relevant. Our teams have access to use a range of tools and analytics to identify, quantify and measure climate-related opportunities as described in more detail later in this section. Not all teams will use these tools; they are used in line with the investment strategy.

Below, we outline examples of some of the direct opportunities that we expect may materially impact our business, as well as some indirect opportunities we expect to impact our clients and investors in our funds over different time horizons.

For more information please see MSIMs 2022 Climate Report -

https://www.morganstanley.com/im/publication/resources/msim_climate_report_2022.pdf?1692282434442.

(B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

As per the above the GRA team monitors emerging risks in the market and expects climate-related risks and opportunities to typically impact over the following time horizons: 0-2 years: Short term 2-10 years: Medium term 10+ years: Long term. With respect to long term risks of climate opportunities this may be outside of our standard planning horizon.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Morgan Stanley is committed to considering climate change throughout our business, operational and risk management activities. As such climate risks are integrated into the firmwide risk management framework, which applies to all business lines. For more detail on this process please see pages 38-51 of the Morgan Stanley 2022 ESG Report.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios**

Specify:

The Firm has developed long-term climate scenario narratives focusing on several proprietary scenarios and simulated impacts on numerous macroeconomic indicators out to 2050. GRA have used three scenarios that are aligned to narratives by the Network for Greening the Financial System (“NGFS”). These scenarios have been applied to the quantitative analysis performed over several, but not all, of MSIM products. This has been developed and delivered independently of the investment teams.

> NET ZERO WORLD

Increased international collaboration and technological advancement results in the globe being on track to limit global warming to 1.5-2 degrees.

In this scenario, global total CO2 emissions continue to decline, hitting net-zero by 2050. Global temperature rise is limited to 1.5°C to 2.0°C through immediate climate action with global coordination across policymakers

> POLARISED CLIMATE PROGRESS

Global fragmentation of financial markets due to global success against net zero targets being hampered by division and ulterior motives.

In this scenario, global total CO2 emissions are reduced gradually, but net-zero targets are not achieved by 2050. Global temperature rise is limited to 2°C to 2.5°C through fragmented climate action lacking coordination globally.

> PRIORITIZING RECOVERY, NOT CLIMATE

Focus on growth results in a shift away from curtailing emissions with climate regulations being relaxed leading to significant physical and economic impacts due to climate change. In this scenario, policymakers take insufficient climate action to reduce global total CO2 emissions. Instead, they prioritize economic growth, and global temperature rise climbs to 3°C to 4°C. There are country-specific carbon prices, and low tariffs/trade barriers are in place in order to promote global commerce.

For more information please see MSIM's 2022 Climate Report -

https://www.morganstanley.com/im/publication/resources/msim_climate_report_2022.pdf?1693569846304.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- (A) Yes, we have a process to identify and assess climate-related risks**
(1) Describe your process

Risk identification and the effective quantification and assessment of material risks are critical to the risk management framework at MSIM. On a quarterly basis, senior management, in coordination with the relevant Risk Management and Finance teams, review the established risk inventory and assess emerging risks. Within this process, sustainable investing risk is classified as a principal risk and defined as the risk stemming from climate change transition and physical risks; natural resource depletion; waste intensity; labor retention, turnover and unrest; supply chain disruption; corruption and fraud; and human rights violations.

Investment teams, along with support, control and oversight teams within the first line of defence, monitor and assess climate risks, which may materially impact investment portfolios, as appropriate.

Climate-related analytics and data insights are used at the investment team and MSIM business segment levels to assess and monitor climate risks, as appropriate. Certain investment teams have their own approaches and proprietary frameworks for identifying and assessing climate risks as appropriate to their investment styles and the asset classes they cover. Additionally, material climate-related risks may be incorporated into team research processes and assessed alongside other material risks as appropriate to the financial product.

Internal Carbon Pricing

MSIM's independent Global Risk Analysis team includes carbon pricing scenarios as part of its ESG risk monitoring approach across public markets.

Sensitivity Analysis

MSIM's independent Global Risk Analysis team conducts regular beta analysis to measure the sensitivity of portfolios to changes in fossil fuel prices as part of its risk monitoring approach across public markets.

Scenario Analysis

MSIM's independent Global Risk Analysis team performs scenario analysis to help assess the potential impact of climate-related risks and opportunities on investments, and to identify vulnerabilities over the assessed time horizon from a risk perspective. Specifically, the independent Global Risk Analysis team has the capability to conduct forward-looking scenario analysis to centrally monitor climate risk of certain portfolios across different asset classes in order to measure the financial impact of climate change. Currently, the strength of

GRA's capabilities is in quantifying the potential impact of transition risks and opportunities on our public portfolios. This analysis has been developed and delivered independently of the investment teams. To monitor, assess and measure climate-related risks across the assets that we manage, we continue to develop our scenario analysis capabilities in assessing our exposure to transition and physical risk over different time horizons.

(2) Describe how this process is integrated into your overall risk management

MSIM has a decentralised investment management operating model, with investment teams conducting business largely independent of each other.

Risk is an inherent part of MSIM's investment management business. Among those risks, MSIM believes that climate-related risks can be financially material to the assets we manage and ultimately to our business. To act in the best interests of our clients, MSIM seeks to implement effective risk management practices that incorporate climate-related risks, as appropriate.

MSIM operates a 'three lines of defence' model for risk management.

Climate risk is embedded into risk management processes across MSIM's three lines of defence, and systems, controls and procedures have been implemented to identify, monitor and manage climate risks. Our investment teams have primary responsibility for the management of risk, including climate-related risk, where relevant, in their respective business areas. The MSIM risk function ("Global Risk and Analysis") and various other control and oversight functions provide oversight of business activities and directly supports risk governance at MSIM. Collectively, investment teams and senior management sit in the first line of defence as the business units.

The MSIM Risk function ("Global Risk and Analysis") is led by the MSIM Chief Risk Officer (CRO) who chairs the Investment Management Risk Committee.

This committee provides a regular forum for representatives of different functional groups to identify and discuss key risk issues and make recommendations to senior managers. The MSIM and Firm Risk committees oversee and assess risks that are escalated from the business and control functions. The MSIM boards provide oversight and challenge on a number of market-wide and systemic risks, from a legal entity perspective, which are assessed and monitored by committees across the division.

At the Morgan Stanley Firmwide level, Firm Risk Management (“FRM”) assists senior management and the Firm Risk Committee in monitoring, managing and mitigating risk through a number of control processes, covering all business segments, including Investment Management.

Additionally, MSIM Compliance operates independently of the business units and together with FRM sits in the second line of defence.

The Internal Audit Department operates independently of the business units and provides an independent assessment of MSIM’s control environment and risk management processes using a risk-based methodology developed from professional auditing standards. Internal

Audit sits in the third line of defence.

As described in detail in the Governance section of MSIM’s TCFD report, the boards of directors across different layers of the organisation oversee and assess sustainability-related issues including climate risks, through annual strategic updates and Risk Appetite Statements that incorporate sustainability issues, as appropriate. Climate change is embedded into the wider risk framework and investment teams’ existing monitoring and exposure analysis processes at MSIM, where relevant.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

Investment team level

Climate-related risks may be considered by the investment teams and integrated into decision-making within portfolio strategies, as relevant to the financial product. Our investment teams are informed by and derive insights from wider Firm functions, such as the MSIM Sustainability team, and adopt their own risk management approaches. To manage climate-related risks, a number of proprietary tools and screening frameworks have been developed across investment teams to support the understanding of climate-related risks and opportunities where appropriate. The scope of our strategies to integrate climate considerations is guided by mandates agreed with clients and the investment policies of our funds. Our investment teams integrate material climate considerations into decision-making, given the long-term impact on portfolio companies, where relevant.

(2) Describe how this process is integrated into your overall risk management

As described above, MSIM operates a ‘three lines of defence’ model for risk management. Climate risk is embedded into risk management processes across MSIM’s three lines of defence, and systems, controls and procedures have been implemented to identify, monitor and manage climate risks. Our investment teams have primary responsibility for the management of risk, including climate-related risk, where relevant, in their respective business areas. Climate change is embedded into the wider risk framework and investment teams’ existing monitoring and exposure analysis processes at MSIM, where relevant.

MSIM’s independent Global Risk and Analysis team conducts top-down sustainability investment risk analysis, including assessment of sustainability risk exposures, controversial business exposures and the potential impact of different climate change and transition risk scenarios. Where relevant, certain funds have enhanced controls and processes to monitor that they are being managed in line with the stated sustainability characteristics of the funds. Investment teams are responsible for assessing risks impacting their respective portfolios with Global Risk and Analysis conducting materiality assessments to evaluate the relative significance of risks.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

- (A) Exposure to physical risk
- (B) Exposure to transition risk**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - https://www.morganstanley.com/im/publication/resources/msim_fmil_statement_2022.pdf?1692286673145
- (C) Internal carbon price
- (D) Total carbon emissions**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - https://www.morganstanley.com/im/publication/resources/msim_climate_report_2022.pdf?1692286673145
- (E) Weighted average carbon intensity**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - https://www.morganstanley.com/im/publication/resources/msim_climate_report_2022.pdf?1692286673145
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables
 - (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

https://www.morganstanley.com/im/publication/resources/msim_climate_report_2022.pdf

https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/Morgan_Stanley_2022_ESG_Report.pdf

(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

https://www.morganstanley.com/im/publication/resources/msim_climate_report_2022.pdf

https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/Morgan_Stanley_2022_ESG_Report.pdf

(C) Scope 3 emissions (including financed emissions)

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

https://www.morganstanley.com/im/publication/resources/msim_climate_report_2022.pdf

https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/Morgan_Stanley_2022_ESG_Report.pdf

o (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

OVERALL APPROACH

EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

(8) Hedge funds

Organisation

(A) Commitment to and experience in responsible investment



(B) Responsible investment policy(ies)



(C) Governance structure and senior-level oversight and accountability



People and Culture

(D) Adequate resourcing and incentives



(E) Staff competencies and experience in responsible investment



Investment Process

(F) Incorporation of material ESG factors in the investment process



(G) Incorporation of risks connected to systematic sustainability issues in the investment process



(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment



Stewardship

(I) Policy(ies) or guidelines on stewardship



(J) Policy(ies) or guidelines on (proxy) voting

(K) Use of stewardship tools and activities

(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices

(M) Involvement in collaborative engagement and stewardship initiatives

(N) Engagement with policy makers and other non-investee stakeholders

(O) Results of stewardship activities

Performance and Reporting

(P) ESG disclosure in regular client reporting

(Q) Inclusion of ESG factors in contractual agreements

(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers

SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) **Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers**

SELECTION

RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) **Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year**
- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

Performance and Reporting

(I) ESG disclosure in regular client reporting

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

(J) Inclusion of ESG factors in contractual agreements

- (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

APPOINTMENT

SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13	N/A	PUBLIC	Segregated mandates	4

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

- (A) Their commitment to following our responsible investment strategy in the management of our assets
- (B) Their commitment to incorporating material ESG factors into their investment activities
- (C) Their commitment to incorporating material ESG factors into their stewardship activities
- (D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities
- (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities
- (F) Exclusion list(s) or criteria
- (G) Responsible investment communications and reporting obligations, including stewardship activities and results
- (H) Incentives and controls to ensure alignment of interests**
 - Select from dropdown list
 - (1) for all of our segregated mandates
 - (2) for a majority of our segregated mandates
 - (3) for a minority of our segregated mandates**
- (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD
- (J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights
- (K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments
- (L) Other
- (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

MONITORING

RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

(8) Hedge funds

Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)



(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)



(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)



People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)



(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

Performance and Reporting

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)

(J) Inclusion of ESG factors in contractual agreements

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?

(8) Hedge funds

(A) At least annually	<input checked="" type="checkbox"/>
(B) Less than once a year	<input type="checkbox"/>
(C) On an ad hoc basis	<input checked="" type="checkbox"/>

ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?

(8) Hedge funds

(A) Engagement with their investment professionals, investment committee or other representatives

(B) Notification about their placement on a watch list or relationship coming under review

(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified

(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination

(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified

(F) Other

(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring

VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?

(8) Hedge funds

(A) We checked that the information reported was verified through a third-party assurance process

(B) We checked that the information reported was verified by an independent third party

(C) We checked for evidence of internal monitoring or compliance

(D) Other

(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(2) for a majority of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(2) for a majority of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(2) for a majority of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(2) Active - quantitative

(3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(2) for a majority of our AUM

(2) for a majority of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

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PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(2) in a majority of cases	(2) in a majority of cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(2) in a majority of cases	(2) in a majority of cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(2) in a majority of cases	(2) in a majority of cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(2) in a majority of cases	(2) in a majority of cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(2) in a majority of cases	(2) in a majority of cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(2) in a majority of cases	(2) in a majority of cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(2) in a majority of cases	(2) in a majority of cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

Active Fundamental Equity - The Global Opportunity team's investment process integrates analysis of sustainability with respect to disruptive change, financial strength and environmental and social externalities and governance (also referred to as ESG). The team views ESG as a component of quality and consider the valuation, sustainability and fundamental risks inherent in every portfolio position. The team's quality assessment identifies the key ESG-related opportunities and risks for each prospective investment based on materiality to the long-term fundamental drivers of the business. Using HELP & ACT, investors analyze potential impacts to humanity's health, environment, liberty and productivity, and governance measures to ensure agency, culture and trust, framed by a set of questions applied consistently across companies.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(2) Active - quantitative

(3) Active - fundamental

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(3) for a minority of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(2) for a majority of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(3) for a minority of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(1) Active - quantitative

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

FIXED INCOME (FI)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a formal process that includes scenario analyses	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but does it not include scenario analyses			
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)

We monitor the implications of changing ESG trends at the sector and issuer level on an ongoing basis, through our in-house ESG research, which is conducted by dedicated ESG analysts at Calvert Research and Management, our responsible investment affiliate, and used by the investment teams as part of their process. We also actively engage with bond issuers on relevant ESG matters, on an ongoing basis. Our ESG analysts have developed sector theses, which are reviewed every two years, that aim to capture the sustainability trends, and inform the financial materiality driven ESG analysis at the issuer level. The investment teams also engage with selected issuers, one-on-one or through collaborative initiatives to which we have significant exposure across portfolios, based on targeted ESG concerns. For sovereign debt, the investment teams rely on our in-house macro research and on our Sovereign ESG model to monitor key ESG issues, and the Emerging Markets Debt team also utilizes a proprietary IRIS system which caches daily news as an input into their analysis of a country. If a sovereign is identified as requiring further investigation, the team may organize in-country visits to gain further insights into the issues that are most important to the population.

In addition, our Global Risk and Analysis ("GRA") team within MSIM conducts scenario analysis on all our fixed income portfolios, which is currently focused on climate.

The GRA team works in conjunction with climate risk subject-matter experts in the firm, to develop climate risk analysis capabilities and in-house scenarios. We have developed 3 climate scenarios that are currently used to monitor our portfolios, which are aligned with those required by the UK FCA, namely: (1) Net Zero world ("orderly transition"); (2) Polarised Climate Progress ("disorderly transition"); and (3) Prioritising Recovery, Not Climate ("hothouse world"). As part of these scenarios, we have developed assumptions specific to corporate.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?

	(1) SSA	(2) Corporate	(3) Securitised
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	○	○	○
(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers	○	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) We make a qualitative assessment of how material ESG factors may evolve	(2) for a majority of our AUM	(2) for a majority of our AUM

(C) We do not incorporate significant changes in material ESG factors

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?

● (A) At both key counterparties' and at the underlying collateral pool's levels

Explain: (Voluntary)

MSIM Fixed Income has investment teams specialised in Agency MBS, and in the broader Securitised market. Each team has developed a bespoke approach to integrating ESG considerations in their investment process.

The Securitised investment team has developed a sustainability framework that they use to assess and score, on a 1-5 scale (where 5 is best) a security's positive, neutral or negative alignment with sustainability factors. For the evaluation, we rely on three primary sources for ESG information: deal documents, due diligence discussions with originators and servicers, and public announcements from regulatory agencies. This information is integrated into the risk/return analysis of the investments.

For the Agency MBS team, ESG analysis is generally a key component of the investment team's research.

We believe ESG factors are among a larger set of factors that analysts should evaluate to arrive at a complete, holistic assessment of risk and reward. We believe that many third-party metrics are already factored into market prices; the value comes from identifying those issues uniquely important to the individual issuer or market, and understanding the direction and rate of change in these factors. Ultimately, each portfolio manager and research analyst is generally responsible for assessing material ESG factors at the issuer and security level and how that influences their analysis and recommendation.

Our Securitised Sustainability Framework is available at: <https://www.morganstanley.com/im/en-us/financial-advisor/insights/articles/msisms-secritized-sustainability-framework.html>.

- o (B) At key counterparties' level only
- o (C) At the underlying collateral pool's level only

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways			

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process			

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.

Our Fixed Income investment teams supplement traditional credit analysis by conducting ESG research in-house, through Calvert, our specialised responsible investment and ESG research affiliate, and integrating material ESG risks and opportunities in the investment decision-making process across asset classes. Portfolio managers and fundamental credit analysts have access to the full breadth of in-house and selected sell-side ESG research, and they discuss sector and transaction-specific details with specialist ESG analysts as part of the daily credit team's meetings or ad hoc new issuances (including in-depth evaluations of Green/labelled Sustainable Bonds), and during quarterly sector reviews. Within the securitised and Agency MBS teams, the investment team leads the due diligence process, which includes an ESG assessment based on our internal framework.

The outputs of our ESG analysis, in the form of ESG scores, detailed sector, issuer, and security evaluations, are used as inputs both before making investments and then updated regularly to aid with the ongoing monitoring and management of the portfolio. Fundamental credit analysts and portfolio managers are ultimately responsible for considering the potential impact of ESG-related issues onto their fundamental credit views, and for determining whether material sustainability risks and opportunities are reflected in the pricing. Our approach relies on three key steps: 1) ESG integration through proprietary ESG research and scoring methodologies, and through in-depth evaluations of labelled Green/Sustainable bonds; 2) Active engagement with bond issuers to seek to drive positive change; and 3) Measurement and ongoing monitoring of key ESG metrics at the portfolio level.

In addition, some of our fixed income funds may, as part of the portfolio construction process, implement additional screen to seek to mitigate for adverse sustainability impacts which could, in turn, damage portfolio returns.

As an example, as part of our ongoing monitoring of portfolio ESG characteristics, the corporate credit team decided to underweight to zero exposure a water utility company due to their consistently poor environmental management, resulting in a high volume of leaks, pollution incidents and sewer flooding, adding to their operating costs, and with a structural lack of capex to fix these issues. Our ESG analyst had produced a negative evaluation and outlook on the company as part of our research process, based on laggard performance on the material factors of water intensity and product safety, months ahead of the escalation of such issues, which ultimately resulted in senior management resignation and expected government intervention. Our team had also engaged with the company in early 2022 on their green financing programme and spending on water projects. As a result of recently announced record fines and negative news flow, the spread on the company's senior bonds significantly widened, and our zero exposure contributed to preserving portfolio returns.

In the context of our Emerging Markets Debt (EMD) investments, the EMD team's approach to ESG integration is based on the belief that improvements in a country's ESG factors, which tend to be positively correlated with economic freedom, leads to beneficial investment outcomes as the country's risk premium declines. As a result, the team's country analysis, informed by our proprietary Sovereign ESG model, previously described, to supplement fundamental research, sentiment monitoring tools, and country visit, aims to identify countries where the associated risk premium is likely to decline or increase due to changes in the direction of economic freedom and ESG factors. For securitisations, the investment team constructs and then monitors their portfolios with the aim of avoiding exposure to predatory lending practices, severe malpractices in payment collections, or breaches of consumer protection standards, all of which can increase the probability of default of the involved lenders or servicers. As an example, the team divested its exposure to a large subprime auto lender, based on concerns around their roll-out of high-interest car loans to low-income consumers, resulting in a downgrade in their credit score upon inability to repay.

The securitised team also takes into consideration the increasing transition risk associated with buildings, in particular commercial ones, and the implications for the CMBS sector Post COVID-19 pandemic, employers are finding that it is preferable to offer new, healthy, green, amenitized workspaces in order to coax their employees to return to office. As a result, our team tends to prefer investments in CMBS deals backed by properties with high environmental efficiency standards, e.g., LEED certification.

THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	PLUS	OO 20, OO 21	N/A	PUBLIC	Thematic bonds	3

What percentage of environmental, social and/or other labelled thematic bonds held by your organisation has been verified?

As a percentage of your total labelled bonds:

(A) Third-party assurance	(4) >50–75%
(B) Second-party opinion	(5) >75%
(C) Approved verifiers or external reviewers (e.g. via CBI or ICMA)	(5) >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) The issuers' progress towards achieving their targets
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action
- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
- (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

REAL ESTATE (RE)

POLICY

INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 1	CORE	OO 21, OO 24, OO 26	N/A	PUBLIC	Investment guidelines	1 to 6

What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- (B) Guidelines on our ESG approach to new construction
- (C) Guidelines on our ESG approach to major renovations
- (D) Guidelines on our ESG approach to standing real estate investments
- (E) Guidelines on pre-investment screening
- (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- (H) Guidelines on our approach to ESG reporting
- (I) Guidelines on our engagement approach related to third-party property managers
- (J) Guidelines on our engagement approach related to tenants
- (K) Guidelines on our engagement approach related to construction contractors
- (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

FUNDRAISING

COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

PRE-INVESTMENT

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3	CORE	OO 21	RE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?

- (A) We assessed ESG materiality for each property, as each case is unique
 - Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (B) We performed a mix of property level and property type or category level ESG materiality analysis
- (C) We assessed ESG materiality at the property type or category level only
- (D) We did not conduct ESG materiality analysis for our potential real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3.1	CORE	RE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?

- (A) We used GRI standards to inform our real estate ESG materiality analysis
- (B) We used SASB standards to inform our real estate ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis
- (H) We used green building certifications to inform our real estate ESG materiality analysis
- (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- (J) Other

DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence your selection of real estate investments?

- (A) Material ESG factors were used to identify risks
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (D) Material ESG factors were used to identify opportunities for value creation
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate
Select from dropdown list:
 - (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments
- (G) Material ESG factors did not influence the selection of our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?

(A) We conduct a high-level or desktop review against an ESG checklist for initial red flags

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(B) We send detailed ESG questionnaires to target properties

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(C) We hire third-party consultants to do technical due diligence on specific material ESG factors

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(D) We conduct site visits

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(E) We conduct in-depth interviews with management and/or personnel

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(F) We conduct detailed external stakeholder analysis and/or engagement

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- (1) for all of our potential real estate investments
- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments

(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list:

- (1) for all of our potential real estate investments
 - (2) for a majority of our potential real estate investments
 - (3) for a minority of our potential real estate investments
- (I) Other
 - (J) We do not conduct due diligence on material ESG factors for potential real estate investments

SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 6	CORE	OO 21, OO 26	N/A	PUBLIC	Selection process of third-party property managers	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?

- (A) We requested information from potential third-party property managers on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party property managers on their management of material ESG factors
- (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- (F) Other
 - (G) We did not include material ESG factors in our selection of third-party property managers

APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 7	CORE	OO 21, OO 26	N/A	PUBLIC	Appointment process of third-party property managers	1, 4

How did you include material ESG factors when appointing your current third-party property managers?

- (A) We set dedicated ESG procedures in all relevant property management phases

Select from dropdown list:

 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (B) We set clear ESG reporting requirements

Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers
- (C) We set clear targets on material ESG factors
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (D) We set incentives related to targets on material ESG factors
- (E) We included responsible investment clauses in property management contracts
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (F) Other
 - (G) We did not include material ESG factors in the appointment of third-party property managers

MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 8	CORE	OO 21, OO 26	N/A	PUBLIC	Monitoring process of third-party property managers	1, 4

How do you include material ESG factors when monitoring current third-party property managers?

- (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (B) We monitor the performance of quantitative and/or qualitative targets on material social factors
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (D) We monitor progress reports on engagement with tenants
 - Select from dropdown list:
 - (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (E) We require formal reporting at least yearly

- Select from dropdown list:
- (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers**
 - (3) for a minority of our third-party property managers
- (F) We have discussions about material ESG factors with all relevant stakeholders at least yearly**
- Select from dropdown list:
- (1) for all of our third-party property managers**
 - (2) for a majority of our third-party property managers
 - (3) for a minority of our third-party property managers
- (G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors
- (H) We have internal or external parties conduct site visits at least yearly**
- Select from dropdown list:
- (1) for all of our third-party property managers
 - (2) for a majority of our third-party property managers**
 - (3) for a minority of our third-party property managers
- (I) Other
- (J) We do not include material ESG factors in the monitoring of third-party property managers

CONSTRUCTION AND DEVELOPMENT

CONSTRUCTION REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 9	CORE	OO 21, OO 24	N/A	PUBLIC	Construction requirements	1

What ESG requirements do you currently have in place for all development projects and major renovations?

- (A) We require the management of waste by diverting materials (e.g. from construction and demolition, reusable vegetation, rocks and soil) from disposal**
- (B) We require the minimisation of light and noise pollution that would affect the surrounding community**
- (C) We require the performance of an environmental and social site impact assessment**
- (D) We require the protection of the air quality during construction**
- (E) We require the protection and restoration of the habitat and soils disturbed during construction and/or during previous development**
- (F) We require the protection of surface water, groundwater and aquatic ecosystems by controlling and retaining construction pollutants**
- (G) We require constant monitoring of health and safety at the construction site**
- (H) We require engagement with local communities and other stakeholders during the design and/or planning process
- (I) Other
- (J) We do not have ESG requirements in place for development projects and major renovations

MINIMUM BUILDING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 10	CORE	OO 21, OO 24	N/A	PUBLIC	Minimum building requirements	1

What minimum building requirements do you have in place for development projects and major renovations?

- (A) We require the implementation of the latest available metering and internet of things (IoT) technology**
Select from dropdown list:
 - (1) for all development projects and major renovations
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations**
- (B) We require the building to be able to obtain a recognised green and/or healthy building certification for new buildings**
Select from dropdown list:
 - (1) for all development projects and major renovations
 - (2) for a majority of our development projects and major renovations**
 - (3) for a minority of our development projects and major renovations
- (C) We require the use of certified (or labelled) sustainable building materials**
Select from dropdown list:
 - (1) for all development projects and major renovations
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations**
- (D) We require the installation of renewable energy technologies where feasible**
Select from dropdown list:
 - (1) for all development projects and major renovations
 - (2) for a majority of our development projects and major renovations
 - (3) for a minority of our development projects and major renovations**
- (E) We require that development projects and major renovations become net-zero carbon emitters within five years of completion of the construction
- (F) We require water conservation measures**
Select from dropdown list:
 - (1) for all development projects and major renovations
 - (2) for a majority of our development projects and major renovations**
 - (3) for a minority of our development projects and major renovations
- (G) We require common health and well-being measures for occupants**
Select from dropdown list:
 - (1) for all development projects and major renovations
 - (2) for a majority of our development projects and major renovations**
 - (3) for a minority of our development projects and major renovations
- (H) Other**
Specify:

Promoting energy efficiency of lighting e.g. LED installations

Select from dropdown list:

- (1) for all development projects and major renovations
- (2) for a majority of our development projects and major renovations
- (3) for a minority of our development projects and major renovations
- (I) We do not have minimum building requirements in place for development projects and major renovations

POST-INVESTMENT

MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11	CORE	OO 21	RE 11.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

- (D) We did not track KPIs on material ESG factors across our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11.1	PLUS	RE 11	N/A	PUBLIC	Monitoring	1

Provide examples of KPIs on material ESG factors you tracked across your real estate investments during the reporting year.

- (A) ESG KPI #1
Energy Consumption
- (B) ESG KPI #2
Water Consumption
- (C) ESG KPI #3
Waste Generation and Recycling
- (D) ESG KPI #4
GHG Emissions
- (E) ESG KPI #5
Renewable Energy Generation
- (F) ESG KPI #6
Green Building Certifications and Energy Ratings
- (G) ESG KPI #7
Tenant satisfaction surveys
- (H) ESG KPI #8
PM trainings provided (e.g. on phishing, cybersecurity, corruption/bribery, money laundering etc.)
- (I) ESG KPI #9
- (J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 12	CORE	OO 21	N/A	PUBLIC	Monitoring	1

During the reporting year, what ESG building performance data did you collect for your real estate assets?

- (A) Energy consumption**
Select from dropdown list:
 - (1) for all of our real estate assets
 - (2) for a majority of our real estate assets**
 - (3) for a minority of our real estate assets
- (B) Water consumption**
Select from dropdown list:
 - (1) for all of our real estate assets
 - (2) for a majority of our real estate assets**
 - (3) for a minority of our real estate assets
- (C) Waste production**
Select from dropdown list:
 - (1) for all of our real estate assets
 - (2) for a majority of our real estate assets**
 - (3) for a minority of our real estate assets
- (D) Other**

Specify:

GHG Emissions, Renewable Energy Generation and Consumption, Green Building Certifications, Energy Efficiency Ratings

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets**
- (3) for a minority of our real estate assets
- (E) We did not collect ESG building performance data for our real estate assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 13	CORE	OO 21, OO 26	RE 13.1	PUBLIC	Monitoring	1, 2

What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?

(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets**
- (3) for a minority of our real estate assets

(B) We implement certified environmental and social management systems across our portfolio

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets**
- (3) for a minority of our real estate assets

(C) We make sufficient budget available to ensure that the systems and procedures needed are established

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets**

(D) We hire external verification services to audit performance, systems, and procedures

Select from dropdown list:

- (1) for all of our real estate assets**
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans

Select from dropdown list:

- (1) for all of our real estate assets**
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(F) We develop minimum health and safety standards

Select from dropdown list:

- (1) for all of our real estate assets**
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets

(H) Other

Specify:

We include a green lease clause with sustainability provisions to better assess and improve performance in collaboration with tenants

Select from dropdown list:

- (1) for all of our real estate assets
- (2) for a majority of our real estate assets
- (3) for a minority of our real estate assets
- (I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 13.1	PLUS	RE 13	N/A	PUBLIC	Monitoring	1, 2

Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.

(A) Process one

MSREI has a holistic Sustainability Framework (the “Framework”) to ensure sustainability commitments are met at the Real Estate level. The Framework’s four pillars include integrating ESG criteria throughout the investment process, driving operating performance across our assets, improving transparency and disclosure, and advancing ESG thought leadership within the industry. MREI’s framework aspires to be industry leading with respect to sustainability management and performance. The MSREI ESG policy further outlines our ESG priorities: We are committed to promoting, encouraging and developing solutions that contribute to sustainable development and building operations, and engaging stakeholders in open and constructive dialogue.

MSREI will continue to enhance standards for owned facilities to incorporate specifications on location, design, energy and water efficiency, air quality and materials used, with the potential of enabling certification of our properties under regional programs that identify environmental best practice. As appropriate, MSREI may pursue healthy building certification, green building and energy certification (applicable for the country/market) for new assets, and certify new construction and existing buildings across the portfolio that do not currently meet these standards. We are aware of the benefits of reducing GHG emissions and are committed to engaging clients, tenants and the community to establish and enhance climate-friendly policies that apply to our assets. Toward this goal, MSREI commits to conducting regular reviews of our assets to assess GHG emissions as well as energy, water and waste consumption. These reviews may include an energy audit, a green building certification gap analysis, tracking of sustainability performance data (energy use, GHG emissions, water use and waste) and identification of measures that will improve sustainability performance, such as renewable energy installations, energy efficiency projects and investing in emission reduction technologies.

(B) Process two

Select MSREI's core funds have set long-term net zero aspirations and interim energy and/or GHG emission reduction targets. During asset management, third-party consultants may be leveraged to perform energy audits on select assets to identify opportunities to improve energy efficiency and reduce GHG emissions where feasible. For MSREI's opportunistic, value-add funds, given the relatively short hold periods of investments, our focus is identifying and underwriting energy reduction measures in the acquisition phase.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 14	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?

(A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments**

(B) We adjust our ESG action plans based on performance monitoring findings at least yearly

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments**

(C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments**

(D) Other

- (E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 15	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe how you ensure that material ESG risks are adequately addressed in the real estate investments where you hold a minority stake.

Addressing ESG risks in real estate investments especially when holding a minority stake is generally the same as for investments with majority stake, two areas of difference to highlight include: focusing on conducting ESG due diligence to assess current and potential ESG risks and engagement with majority stakeholder with objective of understanding their ESG policies and practices

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 16	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.

Morgan Stanley Investment Management (MSIM) has adopted a Sustainable Investing Policy, and Morgan Stanley Real Estate Investing ("MSREI") takes MSIM's Sustainable Investing Policy into consideration in managing the investment activities. MSREI has also published an ESG policy that lays out its general approach around ESG. When feasible, MSREI will measure and track asset-level environmental data annually, including energy, GHG emissions, water, waste and green building certification levels. Where possible, we will assess or measure the impact of our development projects, including green building certifications, biodiversity, material sourcing, sustainable procurement as well as energy, water, waste, and GHG emissions performance during development, design and construction.

MSREI integrates sustainability risks and opportunities throughout the investment lifecycle starting in the investment due diligence phase, as part of the investment decision-making process and management of individual assets.

MSREI may use various software platforms

to manage asset-level environmental data. We strive to expand the tracking and reporting capabilities, where appropriate, with an objective of capturing regular data across the portfolio. Overall improvements in Fund- and asset-level performance may be reported to investors via GRESB and other investor disclosures.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 17	CORE	OO 21	N/A	PUBLIC	Monitoring	1

What proportion of your real estate assets has obtained a green or sustainable building certification?

- (A) All of our real estate assets have obtained a green or sustainable building certification
- (B) A majority of our real estate assets have obtained a green or sustainable building certification
- (C) A minority of our real estate assets have obtained a green or sustainable building certification
- (D) None of our real estate assets have obtained a green or sustainable building certification

STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 18	CORE	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

How does your third-party property manager(s) engage with tenants?

- (A) They engage with real estate tenants on energy, water consumption and/or waste production**
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties**
 - (3) for a minority of our buildings or properties
- (B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance**
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties**
- (C) They engage with real estate tenants by offering green leases**
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties**
 - (3) for a minority of our buildings or properties
- (D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors**
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties**
- (E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades**
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties**
- (F) Other**
 Specify:
 - Through tenant surveys
 Select from dropdown list:
 - (1) for all of our buildings or properties
 - (2) for a majority of our buildings or properties
 - (3) for a minority of our buildings or properties**
- (G) Our third-party property manager(s) do not engage with tenants

EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 20	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment of the property(s)**
 - Select from dropdown list:
 - (1) for all of our real estate investments
 - (2) for a majority of our real estate investments**
 - (3) for a minority of our real estate investments
- (F) Key ESG performance data on the property(s) being sold**
 - Select from dropdown list:
 - (1) for all of our real estate investments
 - (2) for a majority of our real estate investments
 - (3) for a minority of our real estate investments**
- (G) Other
 - (H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year
 - (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 21	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors**
- (C) We reported at the property level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)**
- (E) We reported at digital or physical events or meetings with investors**
- (F) We had a process in place to ensure that serious ESG incidents were reported**
- (G) Other**
 - Specify:

We respond to the GRESB Real Estate Assessment at the fund level and allow investors access to the results.

- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

INFRASTRUCTURE (INF)

POLICY

INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 1	CORE	OO 21, OO 29, OO 30	N/A	PUBLIC	Investment guidelines	1 to 6

What infrastructure-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to each infrastructure sector and geography where we invest
- (B) Guidelines on our ESG approach to greenfield investments
- (D) Guidelines on pre-investment screening
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (H) Guidelines on our engagement approach related to the workforce
- (I) Guidelines on our engagement approach related to third-party operators
- (J) Guidelines on our engagement approach related to contractors
- (K) Guidelines on our engagement approach related to other external stakeholders, e.g. governments, local communities, and end-users
- (L) Our responsible investment policy(ies) does not cover infrastructure-specific ESG guidelines

FUNDRAISING

COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

PRE-INVESTMENT

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3	CORE	OO 21	INF 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential infrastructure investments?

- (A) We assessed ESG materiality at the asset level, as each case is unique
 - Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
 - (B) We performed a mix of industry-level and asset-level ESG materiality analyses
 - (C) We assessed ESG materiality at the industry level only
 - (D) We did not conduct ESG materiality analysis for our potential infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3.1	CORE	INF 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?

- (A) We used GRI standards to inform our infrastructure ESG materiality analysis
- (B) We used SASB standards to inform our infrastructure ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our infrastructure ESG materiality analysis
- (D) We used the GRESB Materiality Assessment (RC7) or similar to inform our infrastructure ESG materiality analysis
- (E) We used the environmental and social factors detailed in the IFC Performance Standards (or similar standards used by development finance institutions) in our infrastructure ESG materiality analysis
- (F) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our infrastructure ESG materiality analysis
- (G) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our infrastructure ESG materiality analysis
- (H) We used geopolitical and macro-economic considerations in our infrastructure ESG materiality analysis
- (I) We engaged with existing owners and/or managers (or developers for new infrastructure assets) to inform our infrastructure ESG materiality analysis
- (J) Other
 - Specify:

Internally developed tool, third-party ESG due diligence reports, UN SDGs

DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence the selection of your infrastructure investments?

(A) Material ESG factors were used to identify risks

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(B) Material ESG factors were discussed by the investment committee (or equivalent)

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(D) Material ESG factors were used to identify opportunities for value creation

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments

(G) Material ESG factors did not influence the selection of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential infrastructure investments?

- (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags**
 Select from dropdown list
 - (1) for all of our potential infrastructure investments**
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (B) We send detailed ESG questionnaires to target assets**
 Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments**
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors**
 Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments**
 - (3) for a minority of our potential infrastructure investments
- (D) We conduct site visits**
 Select from dropdown list
 - (1) for all of our potential infrastructure investments**
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (E) We conduct in-depth interviews with management and/or personnel**
 Select from dropdown list
 - (1) for all of our potential infrastructure investments**
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (F) We conduct detailed external stakeholder analyses and/or engagement**
 Select from dropdown list
 - (1) for all of our potential infrastructure investments
 - (2) for a majority of our potential infrastructure investments**
 - (3) for a minority of our potential infrastructure investments
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal**
 Select from dropdown list
 - (1) for all of our potential infrastructure investments**
 - (2) for a majority of our potential infrastructure investments
 - (3) for a minority of our potential infrastructure investments
- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal**

Select from dropdown list

- (1) for all of our potential infrastructure investments
- (2) for a majority of our potential infrastructure investments
- (3) for a minority of our potential infrastructure investments
- (I) Other
 - (J) We do not conduct due diligence on material ESG factors for potential infrastructure investments

POST-INVESTMENT

MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9	CORE	OO 21	INF 9.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your infrastructure investments?

- (A) Yes, we tracked KPIs on environmental factors
 - Percentage of infrastructure assets this applies to:
 - (1) >0 to 10%
 - (2) >10 to 50%
 - (3) >50 to 75%
 - (4) >75 to 95%
 - (5) >95%
- (B) Yes, we tracked KPIs on social factors
 - Percentage of infrastructure assets this applies to:
 - (1) >0 to 10%
 - (2) >10 to 50%
 - (3) >50 to 75%
 - (4) >75 to 95%
 - (5) >95%
- (C) Yes, we tracked KPIs on governance factors
 - Percentage of infrastructure assets this applies to:
 - (1) >0 to 10%
 - (2) >10 to 50%
 - (3) >50 to 75%
 - (4) >75 to 95%
 - (5) >95%
- (D) We did not track KPIs on material ESG factors across our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9.1	PLUS	INF 9	N/A	PUBLIC	Monitoring	1

Provide examples of KPIs on material ESG factors you tracked across your infrastructure investments during the reporting year.

- (A) ESG KPI #1
Energy use (MWh)
- (B) ESG KPI #2
Greenhouse gas emissions (tCO2e)
- (C) ESG KPI #3
Employee fatalities
- (D) ESG KPI #4
Employee reportable injuries
- (E) ESG KPI #5
Employee lost time injury frequency rate
- (F) ESG KPI #6
Employee total recordable injury frequency rate
- (G) ESG KPI #7
Employee gender diversity_(Male & Female)
- (H) ESG KPI #8
Fraud
- (I) ESG KPI #9
- (J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10	CORE	OO 21, OO 30	INF 10.1	PUBLIC	Monitoring	1, 2

What processes do you have in place to support meeting your targets on material ESG factors for your infrastructure investments?

(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessments and analyses

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(C) We implement certified environmental and social management systems across our portfolio

- Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (D) We make sufficient budget available to ensure that the systems and procedures needed are established
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (E) We hire external verification services to audit performance, systems, and procedures
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (G) We develop minimum health and safety standards
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (H) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users
 - Select from dropdown list
 - (1) for all of our infrastructure investments
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (I) Other
 - (J) We do not have processes in place to help meet our targets on material ESG factors for our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10.1	PLUS	INF 10	N/A	PUBLIC	Monitoring	1, 2

Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.

(A) Process one

During 2022, Morgan Stanley Infrastructure Partners (MSIP) continued to support portfolio companies in the North Haven Infrastructure Partners II and III funds to participate in the annual GRESB Infrastructure Asset Assessment to understand current performance, identify gaps and opportunities, and implement value-add improvements. For example, in 2022, MSIP portfolio companies continued to set internal ESG performance targets; monitor ESG KPIs; and participated in employee surveys. The results of the GRESB Infrastructure Assessment help MSIP to assess and analyze portfolio companies against sector peers and sustainable infrastructure best practices, and inform improvement opportunities.

(B) Process two

During 2022, MSIP continued to engage a third-party to provide limited assurance of portfolio companies' ESG performance metrics, enhancing confidence and transparency of reported results. Portfolio company ESG performance metrics are reported in the GRESB Infrastructure Asset Assessment as well as the MSIP ESG report which is distributed to investors.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 11	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?

(A) We develop asset-specific ESG action plans based on pre-investment research, due diligence and materiality findings

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(B) We adjust our ESG action plans based on performance monitoring findings at least yearly

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(C) We, or the external advisors that we hire, support our infrastructure investments with specific ESG value-creation opportunities

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(D) Other

(E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 12	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe how you ensure that material ESG risks are adequately addressed in the infrastructure investments where you hold a minority stake.

Through our position(s) on the company board of directors, MSIP seeks to take controlling interests in assets. Where MSIP has a minority position, we seek to influence the ESG programs of the asset

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 13	PLUS	OO 21	N/A	PUBLIC	Monitoring	2

Describe how your ESG action plans are defined, implemented and monitored throughout the investment period.

During the acquisition and the post-close process of an investee company, Morgan Stanley Infrastructure Partners' (MSIP's) ESG program is introduced to the company management team, including sharing of recommended best practices and platform-wide controls. To ensure effective integration and implementation of ESG, MSIP consults the GRESB Infrastructure Asset Assessment framework and resulting benchmark reports for each portfolio company to define key gaps and opportunities for company ESG management and performance. MSIP and its external consultants work closely with portfolio companies to develop action plans including defining internal and external responsibilities, prioritize key actions for near-term implementation – often within the calendar year, and monitor progress in implementing action plans.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14	CORE	OO 21	INF 14.1	PUBLIC	Monitoring	1, 2

How do you ensure that adequate ESG-related competence exists at the asset level?

(A) We assign our board responsibility for ESG matters

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(B) We ensure that material ESG matters are discussed by our board at least yearly

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(C) We provide training on ESG aspects and management best practices relevant to the asset to C-suite executives only

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(D) We provide training on ESG aspects and management best practices relevant to the asset to employees (excl. C-suite executives)

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(E) We support the asset by finding external ESG expertise, e.g. consultants or auditors

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(F) We share best practices across assets, e.g. educational sessions and the implementation of environmental and social management systems

Select from dropdown list

- (1) for all of our infrastructure investments**
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(G) We apply penalties or incentives to improve ESG performance in management remuneration schemes

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments
- (H) Other
- (I) We do not ensure that adequate ESG-related competence exists at the asset level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14.1	PLUS	INF 14	N/A	PUBLIC	Monitoring	1, 2

Describe up to two initiatives adopted as part of your ESG competence-building efforts at the asset level during the reporting year.

(A) Initiative one

As relevant and appropriate, MSIP arranges presentations on ESG in general and on specific ESG topics (e.g. cybersecurity, human rights and governance) to build ESG competence among portfolio company executives.

(B) Initiative two

MSIP engages an external consultant to provide portfolio company employees and executives to help build ESG competencies e.g., help with GHG accounting, waste management best practices, target setting KPI definition, etc. and answer questions about ESG practices and disclosure frameworks e.g., GRESB infrastructure.

STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 15	PLUS	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

How do you ensure that appropriate stakeholder engagement is carried out during both due diligence for potential investments and the ongoing monitoring of existing investments?

As part of due diligence, material stakeholder and community aspects are assessed as appropriate. During management of the asset, as part of the GRESB process, portfolio companies are asked to report on their stakeholder engagement approaches, including policies, programs as well as grievance mechanisms.

EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 16	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of infrastructure investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory**
 - Select from dropdown list
 - (1) for all of our infrastructure investments**
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)**
 - Select from dropdown list
 - (1) for all of our infrastructure investments**
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company**
 - Select from dropdown list
 - (1) for all of our infrastructure investments**
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (F) Key ESG performance data on the asset or portfolio company being sold**
 - Select from dropdown list
 - (1) for all of our infrastructure investments**
 - (2) for a majority of our infrastructure investments
 - (3) for a minority of our infrastructure investments
- (G) Other
- (H) No responsible investment information was shared with potential buyers of infrastructure investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 17	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly-disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the asset level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- (G) Other

Specify:

GRESB Infrastructure assessments

- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

PRIVATE EQUITY (PE)

POLICY

INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1 to 6

What private equity-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to the sector(s) and geography(ies) where we invest
- (B) Guidelines on our ESG approach tailored to the strategy(ies) and company stage(s) where we invest, e.g. venture capital, buy-out and distressed
- (C) Guidelines on pre-investment screening
- (D) Guidelines on minimum ESG due diligence requirements
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to monitoring ESG risks, ESG opportunities and ESG incidents
- (H) Guidelines on our approach to ESG reporting
- (I) Our responsible investment policy(ies) does not cover private equity-specific ESG guidelines

FUNDRAISING

COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon clients' request**
- (C) We added responsible investment commitments in side letters upon clients' request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

PRE-INVESTMENT

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3	CORE	OO 21	PE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- (A) We assessed ESG materiality at the portfolio company level, as each case is unique**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (B) We performed a mix of industry-level and portfolio company-level ESG materiality analyses
- (C) We assessed ESG materiality at the industry level only
- (D) We did not conduct ESG materiality analyses for our potential private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3.1	CORE	PE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?

- (A) We used GRI standards to inform our private equity ESG materiality analysis
- (B) We used SASB standards to inform our private equity ESG materiality analysis**
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our private equity ESG materiality analysis
- (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards used by development-focused financial institutions) in our private equity ESG materiality analysis**
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our private equity ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our private equity ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our private equity ESG materiality analysis**
- (H) We engaged with the prospective portfolio company to inform our private equity ESG materiality analysis**
- (I) Other**
Specify:

Regulatory standards for certain industries; local jurisdictional requirements; customised operational due diligence

DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence the selection of your private equity investments?

- (A) Material ESG factors were used to identify risks**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (D) Material ESG factors were used to identify opportunities for value creation**
Select from dropdown list
 - (1) for all of our potential private equity investments
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments**
- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate**

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for the majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for the majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

- (G) Material ESG factors did not influence the selection of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential private equity investments?

(A) We do a high-level or desktop review using an ESG checklist for initial red flags

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(B) We send detailed ESG questionnaires to target companies

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(C) We hire third-party consultants to do technical due diligence on specific material ESG factors

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(D) We conduct site visits

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(E) We conduct in-depth interviews with management and/or personnel

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(F) We conduct detailed external stakeholder analyses and/or engagement

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting, and legal

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments

(I) Other

Specify:

Speaking to participants in market to assess reputation / check references

Select from dropdown list

- (1) for all of our potential private equity investments
- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments
- (J) We do not conduct due diligence on material ESG factors for potential private equity investments

POST-INVESTMENT

MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6	CORE	OO 21	PE 6.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(D) We did not track KPIs on material ESG factors across our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7	CORE	OO 21	PE 7.1	PUBLIC	Monitoring	1, 2

What processes do you have in place to support meeting your targets on material ESG factors for your private equity investments?

- (A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance**
 Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments**
- (B) We implement international best practice standards, such as the IFC Performance Standards, to guide ongoing assessments and analyses**
 Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments**
 - (3) for a minority of our private equity investments
- (C) We implement certified environmental and social management systems across our portfolio**
 Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments**
- (D) We make sufficient budget available to ensure that the systems and procedures needed are established**
 Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments**
 - (3) for a minority of our private equity investments
- (E) We hire external verification services to audit performance, systems, and procedures**
 Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments**
 - (3) for a minority of our private equity investments
- (F) We conduct ongoing engagement with all key stakeholders at the portfolio company level, e.g. local communities, NGOs, governments, and end-users**
 Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments**
- (G) We implement 100-day plans, ESG roadmaps and similar processes**
 Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments**
- (H) Other

- (I) We do not have processes in place to help meet our targets on material ESG factors for our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 9	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?

(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings

Select from dropdown list

- (1) for all of our private equity investments
- **(2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(B) We adjust our ESG action plans based on performance monitoring findings at least yearly

Select from dropdown list

- (1) for all of our private equity investments
- **(2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(C) We, or the external advisors that we hire, support our private equity investments with specific ESG value-creation opportunities

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- **(3) for a minority of our private equity investments**

(D) We engage with the board to manage ESG risks and ESG opportunities post-investment

Select from dropdown list

- (1) for all of our private equity investments
- **(2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(E) Other

Specify:

Ongoing engagement / advise portfolio companies on ESG matters even in minority control situations.

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- **(3) for a minority of our private equity investments**
- (F) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12	CORE	OO 21	PE 12.1	PUBLIC	Monitoring	1, 2

How do you ensure that adequate ESG-related competence exists at the portfolio company level?

(A) We assign the board responsibility for ESG matters

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(B) We ensure that material ESG matters are discussed by the board at least yearly

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments**

(D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments**

(E) We support the portfolio company in developing and implementing its ESG strategy

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(F) We support portfolio companies by finding external ESG expertise, e.g. consultants or auditors

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(G) We share best practices across portfolio companies, e.g. educational sessions or the implementation of environmental and social management systems

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(H) We include penalties or incentives to improve ESG performance in management remuneration schemes

(I) Other

(J) We do not ensure that adequate ESG-related competence exists at the portfolio company level

EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 13	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of private equity investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory**
 - Select from dropdown list
 - (1) for all of our private equity investments**
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD**
 - Select from dropdown list
 - (1) for all of our private equity investments**
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)**
 - Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments**
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)**
 - Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments**
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company**
 - Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments**
- (F) Key ESG performance data on the asset or portfolio company being sold**
 - Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments**
- (G) Other
- (H) No responsible investment information was shared with potential buyers of private equity investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 14	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) We used a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the portfolio company level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported back at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- (G) Other

Specify:

We did ad hoc or informal reporting on serious ESG incidents

- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy

- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI**
- (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent**
 - Sections of PRI report reviewed
 - (1) the entire report**
 - (2) selected sections of the report
 - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year