Morgan Stanley

2025 Sustainability Report



About This Report

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

Content in this report focuses on sustainability activities across the firm in 2025. As such, information is as of December 31, 2025, unless otherwise stated. Our data, content and narrative are informed by the Sustainability Accounting Standards Board (SASB) standards for Investment Banking and Brokerage, Asset Management and Custody Activities, and Commercial Banking. The climate section is informed by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).[2] This report's appendices on SASB and TCFD map certain Morgan Stanley disclosures related to these frameworks' indicators and recommendations. Both frameworks are now part of the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards (IFRS) Foundation. Morgan Stanley is a member of the IFRS Sustainability Alliance and monitors the standards being developed by the ISSB. We have also included an index that maps the content in this report to the recommendations of The Glasgow Financial Alliance for Net Zero (GFANZ) transition planning guidance for financial institutions. Morgan Stanley engaged Deloitte & Touche LLP to conduct a review of Management's Assertion included in the Morgan Stanley Sustainability Metrics Statement, provided as a supplement to this report. Refer to the Independent Accountant's Report in the Sustainability Metrics Statement for information on the scope of their review.

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

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

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

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

- Morgan Stanley Sustainability Publications
- Morgan Stanley Investor Relations
- Morgan Stanley Corporate Governance
- Sustainability at Morgan Stanley Investment Management
- Morgan Stanley Wealth Management Investing with Impact
- Morgan Stanley Institute for Sustainable Investing

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

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Our Business

Morgan Stanley is a leading global financial services firm with approximately 83,000 employees and offices in 42 countries.[2] We provide an array of products and solutions across three core business segments: Institutional Securities, Wealth Management and Investment Management.

INSTITUTIONAL SECURITIES

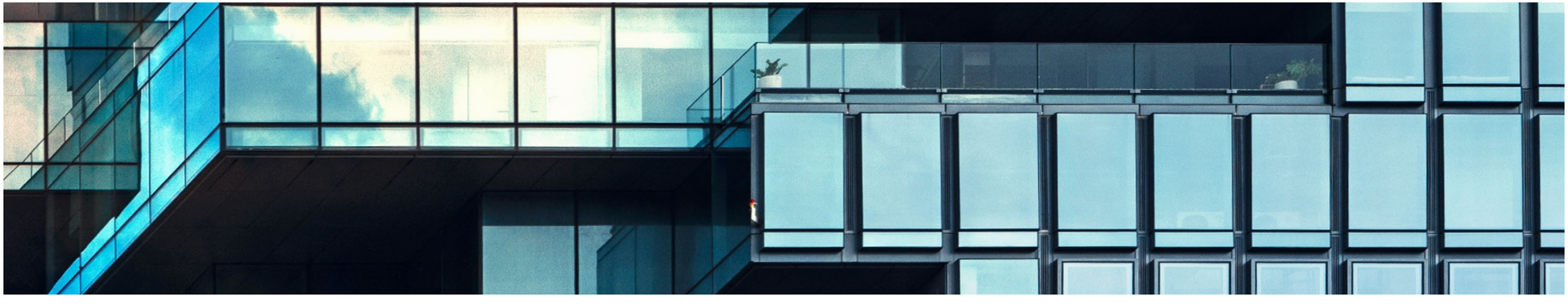
Institutional Securities provides a variety of products and services to corporations, governments, financial institutions and ultra high net worth clients. Investment Banking services consist of capital raising and financial advisory services, including the underwriting of debt, equity securities and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

WEALTH MANAGEMENT

Wealth Management provides a comprehensive array of financial services and solutions to individual investors, including high and ultra high net worth individuals, and businesses and institutions. Wealth Management supports clients through three channels: Advisor-Led, Self-Directed and Workplace. Wealth Management includes Financial Advisor-led brokerage; investment advisory; custody; cash management and administrative services; self-directed brokerage services; financial and wealth planning services; workplace services, including stock plan administration; securities-based lending; residential and commercial real estate loans and other lending products; banking; and retirement plan services.

INVESTMENT MANAGEMENT

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



[2] The data included in this report is as of December 31, 2025, unless otherwise stated.

The Integrated Firm

Morgan Stanley operates as an Integrated Firm, and our employees are guided by our four pillars of Strategy, Culture, Financial Strength and Growth. These pillars reinforce our shared purpose and inform how we serve clients, support one another and deliver for shareholders. Our culture of rigor, humility and partnership defines how we operate across businesses and geographies.

For more information, see our Annual Report on Form 10-K for the year ending December 31, 2025.



"Morgan Stanley's ability to create sustained long-term value is grounded in the strength of our people, the resilience of our diversified business model, and the trust of our clients. As the world evolves, we remain focused on helping clients navigate complexity while investing in the people and capabilities that will best position the Integrated Firm and the communities we serve for the future.

Ted Pick
Chairman and CEO,
Morgan Stanley

Financial Performance

Net Revenues by Segment[3]

$ IN MILLIONS (USD)	2023	2024	2025
Institutional Securities	$23,060	$28,080	**$33,080**
Wealth Management	$26,268	$28,420	**$31,754**
Investment Management	$5,370	$5,861	**$6,525**
Firmwide	$54,143	$61,761	**$70,645**

Net Income Applicable to Morgan Stanley by Segment[4]

$ IN MILLIONS (USD)	2023	2024	2025
Institutional Securities	$3,453	$6,666	**$8,650**
Wealth Management	$5,022	$5,888	**$7,130**
Investment Management	$639	$859	**$1,122**
Firmwide	$9,087	$13,390	**$16,861**

3 The amounts represent the contribution of each business segment to the total of the applicable financial category for the years ended December 31 and may not add up to the firmwide total presented due to intersegment eliminations.
4 Ibid.

Our Approach to Sustainability

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

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

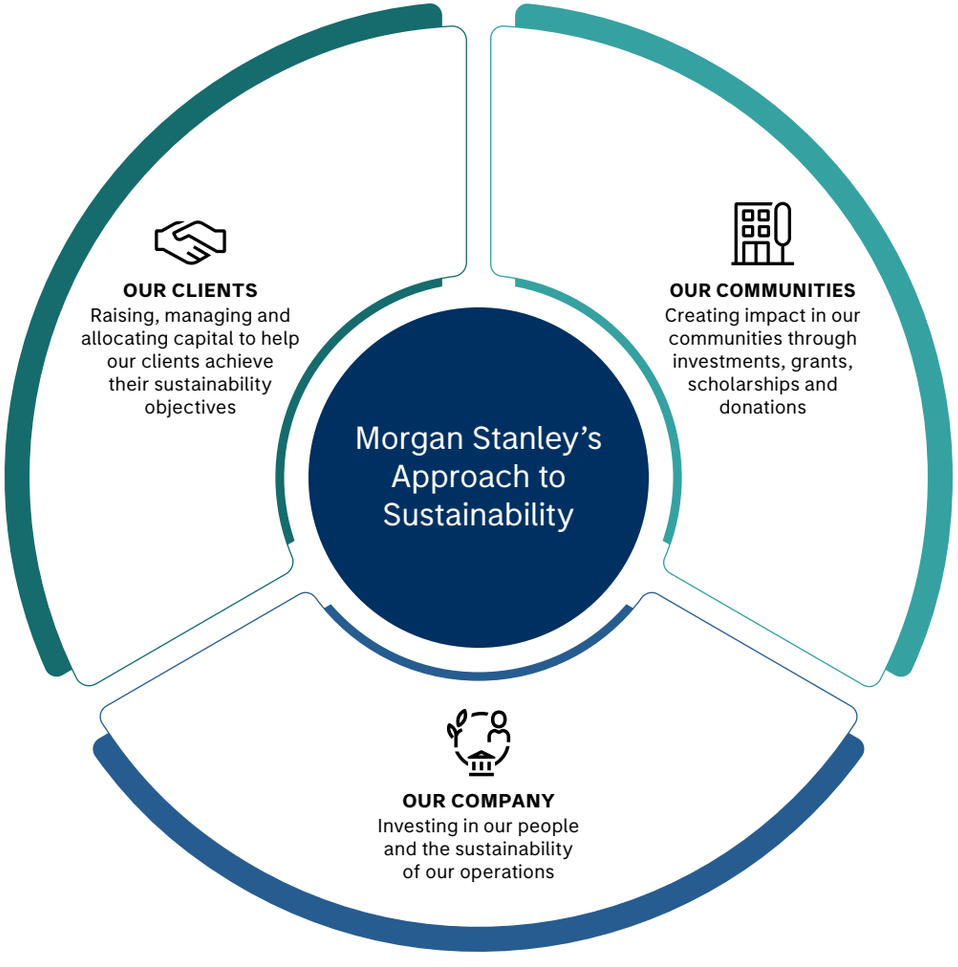
Sustainable Finance: Morgan Stanley has set a goal to mobilize $1 trillion for sustainable solutions by 2030, including $750 billion toward low-carbon and green solutions. We have made significant progress toward that goal and have mobilized $955 billion as of December 31, 2025.[5] Morgan Stanley's three business segments contribute to our Sustainable Finance Target and enable us to offer a broad range of sustainability-related products and solutions to clients.

Our Workforce: Guided by our Core Values—Do the Right Thing, Put Clients First, Lead with Exceptional Ideas, Commit to Diversity and Inclusion, and Give Back—our efforts support the development, growth and mobility of our global workforce. By focusing on our people, we aim to attract and retain exceptional talent that represents all backgrounds and a range of skills and experiences.

Climate: The financial services sector plays an important role in mobilizing the trillions of dollars in capital required to transition to a low-carbon economy. We are engaging with clients on climate-transition strategies and working towards our interim financed emissions targets. Additionally, we continue to procure renewable electricity certificates for our global office and data center electricity consumption, as well as verified carbon credits and Sustainable Aviation Fuel certificates equivalent to specified emissions.[6] We also incorporate physical and transition climate risks into the firm's risk management and governance processes.

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

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



5 Target period commenced in 2018. See the Sustainable Finance section of this report for more information.

6 See the Embed Sustainability in Our Operations section of this report for more information.

Our Key Sustainability Highlights From 2025[7]

OUR CLIENTS

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

$955Bn

in capital mobilized toward our goal of **$1Tn** by 2030, including **$734Bn** in low-carbon and green solutions[8,9]

INSTITUTIONAL SECURITIES

$105Bn+

in ESG-labeled debt[10] transactions in 2025*

WEALTH MANAGEMENT

$103Bn

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

INVESTMENT MANAGEMENT

$60Bn+

in Assets Under Management (AUM) with sustainability features*[11]

OUR COMPANY

We invest in our people and the sustainability of our operations.

Met our commitment to **procure 100% renewable electricity** for our global offices and data centers.[12]

Continued to **purchase verified carbon credits and Sustainable Aviation Fuel certificates** equivalent to specified emissions across our operations.[13]

Established the **Sustainable Issuance Framework**, which enables the issuance of green, social and sustainability instruments by Morgan Stanley.[14]

OUR COMMUNITIES

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

$2.7Bn+

in qualified community development loans and investments under the Community Reinvestment Act (CRA) in 2025*

$127MM+

donated by the firm and its charitable foundations in 2025

3.4MM

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

53MM+

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

$42MM+

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

[7] Unless stated otherwise, data on this page is as of December 31, 2025.

[8] This metric was subject to Deloitte & Touche LLP's review. See the Sustainability Metrics Statement.

[9] Target period commenced in 2018. See the Sustainable Finance section of this report for more information.

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

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

[11] This AUM figure includes funds and mandates with at least one of the following sustainability features: 1. impact investing, 2. sustainability optimization, 3. social objectives, 4. low-carbon or net-zero commitments. Products managed by Parametric Portfolio Associates LLC and Parametric SAS (collectively, "Parametric") are excluded except where another MSIM entity is the appointed investment manager and has sub-delegated investment management to Parametric.

[12] Through renewable electricity certificates. See the Embed Sustainability in Our Operations section of this report for more information.

[13] See the Carbon Credits Strategy section of this report for more information.

[14] By Morgan Stanley or any of its wholly owned subsidiaries to finance or refinance a variety of assets that, in the view of Morgan Stanley, contribute to environmental and social objectives. This Framework aims to bring together investment and private capital to contribute to real economy decarbonization and create lasting positive change for communities across the globe. See our latest Sustainable Issuance Report for more details. Note that the Sustainable Issuance Framework is distinct from our Sustainable Finance Framework that underpins our 2030 $1 trillion Sustainable Finance Target. See the Sustainable Finance section of this report for more information.

[15] Data as of February 2026.

Sustainable Finance

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



AWARDS AND RECOGNITION

In 2025, Morgan Stanley was awarded **Best Bank for ESG Research** by ESG Investing.

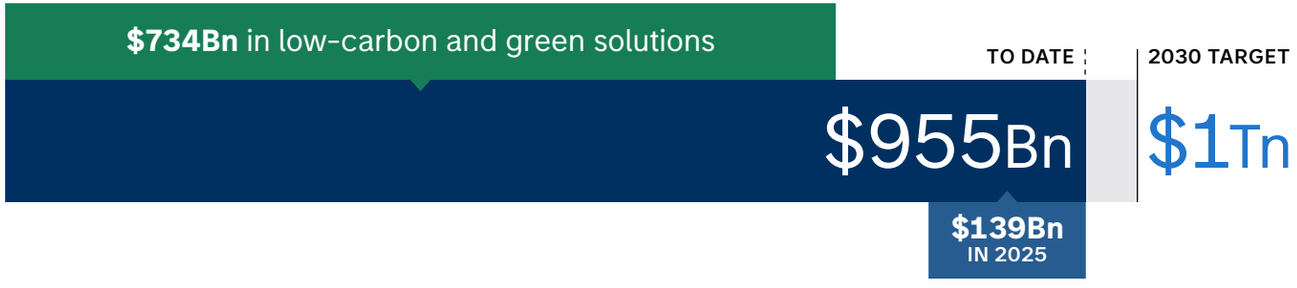
AlphaPort—Sustainability, a proprietary and internal tool developed by Morgan Stanley Investment Management, was named winner of the **Risk Technology's Best In-House Climate Risk Initiative award**.[16]

Morgan Stanley Inclusive & Sustainable Ventures was named **one of Europe's leading startup hubs** by The Financial Times.

[16] As of June 30, 2025. The award was open to banks, insurers, asset managers and other market participants that have built proprietary risk technology for internal purposes and/or client use with substantial development within the past year.

Mobilizing Capital for Sustainable Solutions

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



As of year-end 2025, we have mobilized $955 billion in sustainable finance through our commercial work with clients and strategic partners since 2018.[17]

Our Sustainable Finance Framework (the "Framework"), which is maintained by the Global Sustainability Office and evaluated on an annual basis, guides our progress toward our 2030 $1 trillion Sustainable Finance Target and $750 billion low-carbon and green subset. Our framework and methodology described in the Sustainability Metrics Statement are developed and evaluated in consideration of market practices and global frameworks, such as the United Nations Sustainable Development Goals (UN SDGs) and the International Capital Markets Association's (ICMA) Green and Social Bond Principles.

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



[17] This metric was subject to Deloitte & Touche LLP's review. See the Sustainability Metrics Statement.

2025 Sustainable Finance Transaction Highlights

$9Bn

Joint Lead Manager on The World Bank's $9Bn dual-tranche sustainable development bond issuance, which will support its work to maximize impact for development by efficiently channeling resources into projects that create jobs, drive growth, reduce poverty, and improve living standards.

~$582MM

Joint Global Coordinator and Joint Bookrunner on Maynilad Water Services' ~$582MM IPO with Green Equity Label. Maynilad Water Services is a provider of sustainable water and wastewater services in the Republic of the Philippines. Proceeds from this IPO will be used to upgrade and expand the city's water infrastructure.

$1.5Bn

Joint Lead Manager and Bookrunner on Al Rajhi Bank's $1.5Bn Additional Tier 1 Sustainable Sukuk issuance, supporting the financing and refinancing of eligible sustainable assets and projects through one of the largest banks in the MENA region.

€5Bn

Joint Lead Manager on The European Investment Bank's Climate Awareness Bond equaling €5Bn. The European Investment Bank's Climate Awareness Bonds are focused on projects contributing substantially to climate change mitigation.

~$1Bn

Lead Book-running Manager on Beta Technologies ~$1Bn IPO. Beta Technologies designs, manufactures and sells high-performance electric aircraft, advanced electric propulsion systems, charging systems and components.

$175MM

The Sole Manager and Underwriter on BRIDGE Housing Corporation's $175MM Series 2025 public bond issuance, following Morgan Stanley's role leading BRIDGE's debt IPO in 2020—the sector's first public general obligation issuance. The covenant-light, flexible capital supports BRIDGE's affordable housing and transit-oriented development efforts across California, Oregon, and Washington.



Institutional Securities

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

SUSTAINABILITY IN NUMBERS

In 2025, we supported:

$105Bn+

in ESG-labeled debt transactions*



Investment Banking and Global Capital Markets

Our Investment Banking and Global Capital Markets (IBD/GCM) teams collaborate with relevant parts of the firm on key topics, such as the energy transition, which continues to be an area of focus for our clients, shareholders and regulators. Senior leaders from Investment Banking, Global Capital Markets and our Markets business continue to work together to deliver Morgan Stanley's Integrated Firm approach, providing clients with strategic advice, capital raising capabilities and tailored solutions to support their evolving objectives.

As part of our broader commitment to client engagement, Morgan Stanley hosts several sustainability-focused conferences (see the Engaging with Stakeholders section of this report for more information). In 2025, IBD/GCM hosted its fifth annual climate-focused Spark Sustainability Conference in New York and the second Disruptors Day Conference in London to share relevant ideas and private market solutions with institutional investor clients.

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

Equity and Fixed Income

Our Markets business is comprised of the Institutional Equity Division (IED) and Fixed Income Division (FID). IED works to provide asset managers, asset owners and corporate clients with customized sustainability solutions. Our suite of offerings includes thematic and stock-specific investment ideas, events, capital raises for fund launches, hedging solutions, thematic baskets, and corporate access.

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

The Public Finance Group has been a leader in the green, social, and sustainability-labeled U.S. municipal and not-for-profit bond market for over a decade. Through underwriting senior managed green, social and sustainability bonds, we help bring environmental and social benefits to communities. In 2025, the Public Finance Group served as underwriter across thematic areas, including affordable housing, climate resilience, renewable energy and transportation. As part of this process, we worked with municipal issuers to enhance disclosure on green, social and sustainability bond transactions in line with the ICMA Principles and Guidelines. We also led affordable housing financings in California, Connecticut, Iowa, Maryland, Massachusetts, New York, Rhode Island and Vermont.

Research

Morgan Stanley Research supports the firm's clients by conducting research on sustainable investing themes and trends. The Global Sustainability Research team leads this work, collaborating with our strategists, economists and analysts to provide actionable information to clients. In 2025, the team's research included:

- **Collaboration with stakeholders across Global Research** to publish key areas of investor focus, such as decarbonization, AI infrastructure, nuclear renaissance, climate adaptation, defense, the future of food, carbon markets and quantitative investment strategies.
- **Analysis of corporate sustainability and sustainable investment trends** to help investors navigate the evolving sustainability landscape.
- **Thought leadership on the sustainability implications of AI and the environmental impact of data centers**, such as power demand, emissions intensity and water requirements, as well as social risks, such as the misuse of AI, cyber threats and the potential impact on jobs.
- **Publication of quarterly Sustainable Stock Ideas**, which are regional lists of preferred stocks with exposure to themes, such as energy transition, resource management and efficiency, wellbeing, social and supply chain.
- **Assessment of regulatory developments** affecting sustainable investing, with timely analysis and forward-looking expectations.
- **Quarterly analysis of sustainable fund flows** to help investors understand where sustainability AUM is being allocated.
- **Engagement with external experts** to provide investors with opportunities to meaningfully engage with thought leaders on several key sustainability topics, including power transmission, artificial intelligence, data centers, regulation, biodiversity, the physical risks of climate change and decarbonization solutions.



SPOTLIGHT

PATENTED TECHNOLOGIES DRIVING SUSTAINABILITY INSIGHTS AND RISK MONITORING

Morgan Stanley has developed and implemented a suite of patented technologies to advance sustainability data and analytics capabilities across the firm. In 2025, the firm filed a U.S. patent, which was granted in 2026, for a geospatial data processing and alerting platform for financial risk monitoring. Efforts like these build on a broader track record of proprietary innovation, including multiple patents for approaches to scenario impact assessments, portfolio-level sustainability visualization and performance trend analysis, and technology-driven solutions across sustainability and investment processes.

- **Launch of the Earthshots webcast series**, which hosts founders and executives from private climate technology companies to discuss market outlooks and key challenges.

Wealth Management

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

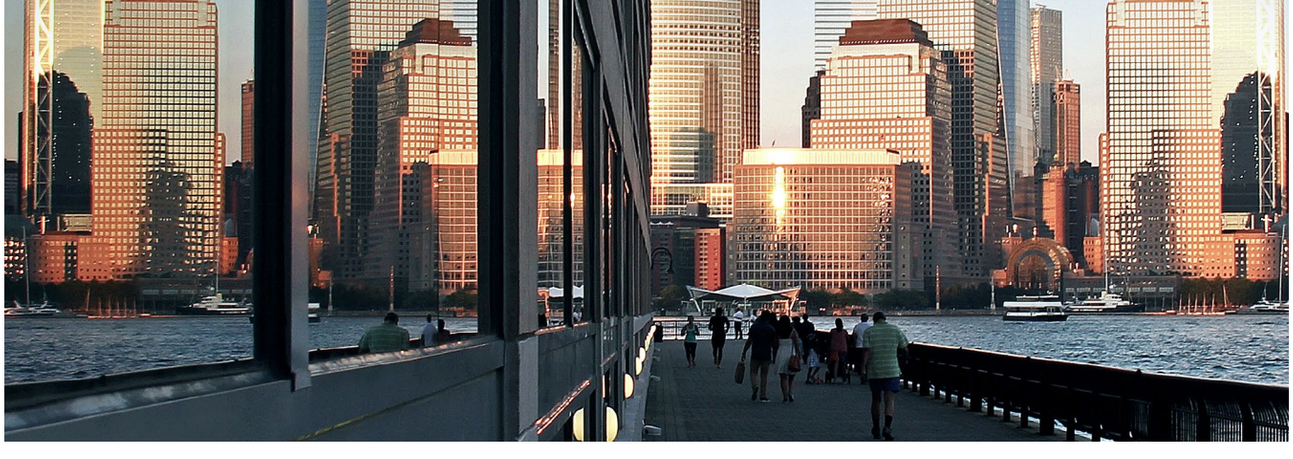
SUSTAINABILITY IN NUMBERS

$103Bn

in client assets[18] invested in 490 investment products included on the IIP*

>325,000

clients served by the IIP



Approach to Sustainable and Impact Investing

In 2012, Morgan Stanley was the first major financial institution to launch a Wealth Management platform dedicated to providing sustainable and impact investing options for its clients. Today, the IIP has achieved widespread adoption among our Financial Advisors.

Our approach to sustainable and impact investing for Wealth Management clients is guided by our Investing with Impact Framework. The Three I's of Impact—Intentionality, Influence and Inclusion—inform our due diligence and manager selection process, portfolio construction, and tools and analytics, including Morgan Stanley IQ® and Impact Signal. All 490 Investing with Impact strategies address one or more of our Three I's of Impact. For further details on our IIP, see our website.

Products and Solutions

The IIP provides a broad range of investment choices across public and private markets, including 490 third-party investments, over 12 Investing with Impact Portfolio Solutions, MS Global Impact Fund Trust (MS GIFT) Donor-Advised Fund, sustainable bonds and structured products, and alternative investments across private equity, venture capital, private credit, real assets and hedge funds.

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

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

The Three I's of Impact represent complementary approaches investors can use across asset classes to align their portfolios with their sustainability preferences.



Allocate to strategies with an intentional investment process that considers social and environmental outcomes alongside financial returns through:

- **Restriction Screening**
- **Environmental, Social and Governance (ESG) Integration**
- **Thematic Solutions**
- **Impact First**

Allocate to strategies that seek to drive better environmental and social outcomes and build industry capabilities through:

- **Active Ownership**
- **Market Building**

Allocate to asset managers whose ownership structure may bring diverse perspectives to the investment and engagement process, including:

- **Diverse-Owned Firm**
- **Employee-Owned Firm**

Impact Themes

Our Wealth Management Investing with Impact tools and investment solutions span environmental, social, and faith-based themes. Each capability reflects a commitment to mobilizing capital in alignment with clients' unique values and goals. Our resources and solutions are designed to support Financial Advisors in helping clients define their objectives, incorporate investment strategies that reflect what matters most to them, and ultimately measure alignment to their values. Examples of themes covered include:

Employee Ownership: The Inclusion pillar of the Investing with Impact Framework has been expanded to recognize a broader range of ownership structures, including employee-owned organizations.[20] In the U.S., approximately 2.9 million privately held companies—representing over $10 trillion in business assets—are owned by individuals approaching retirement, creating a significant opportunity for employee ownership as a succession solution and a driver of broader wealth creation, particularly for low- to moderate-income workers.[21,22] We support client access to employee-owned asset managers as well as to private market strategies that facilitate employee ownership transitions.

Natural Capital: Our natural capital investing resources help Financial Advisors and clients navigate emerging opportunities across natural assets—including forests, land and marine and coastal ecosystems—and approaches such as conservation, restoration and sustainable management.

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

Tools and Analytics

MORGAN STANLEY IMPACT QUOTIENT (IQ)® IMPACT REPORTING

Morgan Stanley IQ® is our proprietary, award-winning[23] and patented[24] application that enables clients to define their impact objectives in an impact profile, assess their current portfolio alignment and work with their Financial Advisor to seek to improve portfolio alignment over time. The application provides clients with a comprehensive reporting menu of more than 115 environmental and social metrics and nine impact themes. In 2025, ~$68 billion in client assets had a Morgan Stanley IQ® impact profile.* Morgan Stanley IQ® analytics also power the reporting of our Investing with Impact Portfolio Solutions suite.

IMPACT SIGNAL

Impact Signal is a proprietary quantitative manager-scoring tool that Financial Advisors use to help clients select investment opportunities. It is powered by Morgan Stanley IQ® analytics to quantitatively assess investment strategies on the strength of their environmental and social impact.

Philanthropy Management: MS GIFT

Morgan Stanley Global Impact Funding Trust, Inc. (MS GIFT) is a dedicated platform for donor-advised funds, offering a thoughtful and tax-advantaged way to support the charities and causes that matter most to our clients. In 2025, MS GIFT donors issued more than $1.8 billion in grants to charities across a range of sectors, including education, climate, health care, human services and the arts.

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

[19] Morgan Stanley's Global Investment Manager Analysis team defines "Inclusion" as strategies from asset managers that are either: (1) 100% employee-owned through a qualified Employee Stock Ownership Plan (ESOP), worker cooperative or employee ownership trust (EOT); or (2) at least 33% owned by U.S. military veterans, women and/or racially or ethnically diverse individuals. The categories that define racially/ethnically diverse individuals align with those of the U.S. Equal Employment Opportunity Commission and include: Hispanic or Latino, Black or African American, Asian, American Indian or Alaska Native, or Native Hawaiian or other Pacific Islander.
[20] Added in early 2026.
[21] Lyon and Menter, 2024, Investing in Employee Ownership: Overview for Mission-Oriented Investors. Transform Finance
[22] Thomas Dudley and Ethan Rouen, "The Big Benefits of Employee Ownership," Harvard Business Review, May 13, 2021
[23] Best private bank, ESG technology, North America, 2021 PWM Wealth Tech Awards
[24] U.S. Pat. No. 11,188,983
* All or a portion of the assets represented by this metric have been counted toward the firm's Sustainable Finance Target.

Investment Management

Morgan Stanley Investment Management (MSIM)[25] provides broad-based specialization across a range of asset classes in public and private markets. Our independent investment teams leverage Morgan Stanley's global resources to serve a diverse client base of governments, institutions, corporations, advisors and individuals worldwide. This decentralized investment approach allows investment teams to be responsible for tailoring and developing their individual approaches to sustainable investing. We seek to deliver long-term value for our clients, which guides our approach to sustainable investing.

SUSTAINABILITY IN NUMBERS

$60Bn+

in AUM with sustainability features[26]*



MSIM Approach to Sustainable Investing

MSIM believes sustainability factors can present investment risks and opportunities that, when properly understood and managed, allow our investment teams to both mitigate risk and generate long-term investment returns. As a client-centric organization, MSIM seeks to provide investment and risk management solutions tailored to a wide range of client preferences, including, where possible, relevant sustainability preferences. MSIM's approach to sustainable investing is organized into three key areas of focus:

1. **Deliver global depth and breadth in sustainable investing expertise**
2. **Offer clients a spectrum of flexible and innovative sustainable investing solutions**
3. **Maintain effective stewardship standards**

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

[26] This AUM figure includes funds and mandates with at least one of the following sustainability features: 1. Impact investing, 2. Sustainability Optimization, 3. Social objectives, 4. Low-Carbon or Net-Zero commitments. Products managed by Parametric Portfolio Associates LLC and Parametric SAS collectively, "Parametric") are excluded except where another MSIM entity is the appointed investment manager and has sub-delegated investment management to Parametric.

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

1

Deliver Global Depth and Breadth in Sustainable Investing Expertise

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

MSIM's investment teams incorporate the assessment of potentially financially material sustainability risks and opportunities into investment decision-making processes in accordance with their individual investment strategies. Potentially financially material sustainability-related risks and opportunities may be incorporated at various stages of the investment life cycle, including due diligence and research, valuation, asset selection, portfolio construction, and ongoing engagement and investment monitoring. MSIM's investment teams seek to utilize assessments of potentially financially material sustainability risks and opportunities, along with other financially relevant information, in a way that aligns with the specific investment philosophy, asset class and time horizon of a given strategy or product.

2

Offer Clients a Spectrum of Flexible and Innovative Sustainable Investing Solutions

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



3

Maintain Effective Stewardship Standards

MSIM has a duty to be good a steward of our clients' capital. Our investment teams fulfill this duty by exercising our proxy voting and other rights as shareholders for relevant investments and seeking to engage with selected issuers and other relevant stakeholders, as appropriate. Investment teams may work with MSIM's Global Stewardship Team, a central team dedicated to supporting investment teams' stewardship activities. However, Investment teams will independently make decisions as appropriate for their strategies.

For more information, see the Sustainable Investing Policy.

Tools and Analytics

ALPHAPORT—SUSTAINABILITY

MSIM's proprietary sustainability analytics platform, AlphaPort—Sustainability[27] ("AlphaPort"), was developed to embed sustainability insights into investment decision-making, portfolio construction and risk management. Developed in-house, the platform is designed to enable investment teams, where appropriate, to integrate sustainability data into research processes, streamline client reporting, meet regulatory reporting requirements and track company engagements. AlphaPort produces quantitative insights on a range of sustainability topics. In 2025, AlphaPort's capabilities were broadened with biodiversity analytics, enhancing investors' visibility into companies' dependencies and impacts on nature.

PRIVATE CREDIT & EQUITY'S USE OF DATA AND TECHNOLOGY TO DRIVE SUSTAINABILITY MONITORING AND ENGAGEMENT

Private Credit & Equity (PC&E) has implemented an AI-powered risk surveillance tool to strengthen its ability to identify, monitor and assess business conduct and sustainability-related incidents across its investments, as reported in media and other public sources. When the AI tool flags a potential incident, relevant deal teams engage with PC&E's Sustainability Team to evaluate its implications for the investment with a particular focus on sustainability-related risks that could result in financial, operational or reputational impacts. For more information, refer to MSIM's U.K. Stewardship Code Report.

[27] There is no obligation for investment teams to use AlphaPort. Each team uses the application at its own discretion.

Our Workforce

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



OUR GLOBAL WORKFORCE[28]—EMPLOYEES BY REGION

54K
AMERICAS

10K
EUROPE, MIDDLE EAST AND AFRICA

19K
ASIA

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

[28] As of December 31, 2025. For further details on our workforce representation, see page 12 of our 2025 Form 10-K.

Building Our Workforce

Our commitment to attracting top talent across disciplines drives the firm's recruitment efforts.

Our global presence and reputation for excellence support a multifaceted recruiting approach that engages candidates across all stages of their careers. We partner with colleges, universities, and professional and community-based organizations while leveraging job boards, digital platforms, career fairs, and industry events to identify and develop prospective talent. Individuals at all levels and from all backgrounds contribute to our dynamic culture. Through tailored selection processes and comprehensive training and development programs, we build a workforce prepared to meet the demands of a rapidly evolving financial services landscape and deliver strong outcomes for clients.



Investing in Our Workforce

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

From delivering comprehensive benefits to fostering employee networks, we prioritize the needs of our people to support their personal and professional wellbeing and ensure they thrive. We deliver these opportunities through a variety of offerings, including a competitive rewards program, award-winning benefits and a library of development resources. Supporting the diverse backgrounds and perspectives of our employees is central to our culture of belonging—one that encourages innovation and values the rich heritage and global viewpoints that our colleagues bring to work each day.

Professional Development

Our performance management process supports goal-setting, encourages feedback and empowers colleagues to take ownership of their professional growth. We provide access to a comprehensive range of professional development resources, including self-guided courses and structured programs that support employees at every stage of their careers.

Compensation

Our compensation programs are designed to attract, retain and motivate top talent through responsible pay practices that reward sustainable performance, align with shareholder interests and promote long-term success.

Health and Wellbeing

Supporting the health and wellbeing of our employees and their families is a core priority. Our global wellbeing strategy—focused on awareness, prevention, and access to quality care—is informed by employee feedback, program results, benchmarking and research. Through this framework, we deliver a comprehensive suite of benefits and engagement initiatives that support our employees' physical, mental and financial wellbeing while strengthening the ability of our firm to attract and retain talent.

Employee Networks and Forums

Our employee networks and forums provide colleagues with a sense of community and belonging. They are an important part of the firm's culture, driving engagement, cross-business connectivity and idea sharing. Morgan Stanley has over 30 networks and forums globally that are open to all colleagues. For more information, visit our website.

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

Climate

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

To support this work, we have a four-part climate strategy:



1

TRANSITION

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

2

OPERATIONS

We seek to optimize our use of resources across our operations and embed sustainability principles into sourcing to reduce our environmental impact and support long-term resilience.

3

RISK

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

4

REPORTING

We publish climate-related disclosures in Morgan Stanley's annual Sustainability Report and in other disclosures across the firm, including in regulatory reporting.

Mobilize Capital for Low-Carbon and Green Solutions

As a global financial services firm, we believe we can play an important role in helping raise capital for low-carbon and green solutions. Supporting low-carbon solutions can reduce our clients' greenhouse gas (GHG) footprints, which contributes to reducing our firm's own financed emissions and progressing toward our net-zero targets. Additionally, working with clients to scale low-carbon opportunities is a key component of our $1 trillion Sustainable Finance Target, which includes a target of $750 billion of low-carbon and green solutions by 2030. See the Financed Emissions section and Sustainable Finance section of this report for more information.

Each of our business segments offers specific climate solutions for its clients:

- **Institutional Securities** supports companies raising capital that may be used to finance investment in climate solutions. It also provides M&A advice to companies to advance their clean-technology and energy-transition efforts, and offers environmental products that help clients navigate renewable energy and carbon markets to advance their decarbonization objectives.
- **Wealth Management** has developed a Climate Action Investing Toolkit that enables our Financial Advisors navigate the range of available climate action investing strategies. The Toolkit also helps them engage with clients about the risks and opportunities of climate action investing.
- **Investment Management** offers clients a range of sustainable investing solutions in actively and passively managed vehicles that seek to align with clients' return objectives and sustainability preferences, including climate as appropriate.

For additional details, see the Institutional Securities, Wealth Management and Investment Management sections, respectively.



Strive Toward Our Financed Emissions Targets

We remain focused on progressing toward our 2030 financed emissions targets. We aim to reduce real-world emissions by supporting our clients with the advice and capital required to achieve their climate ambitions and reduce carbon intensity. We will continue to be thoughtful, independent and pragmatic, with the best interests of our clients, shareholders and other stakeholders in mind. For further details on our target methodology, see Morgan Stanley's 2030 Interim Financed Emissions Targets Report.

We seek to understand the approaches to climate transition taken by clients in our corporate relationship lending portfolio, using both physical intensity metrics and our Climate Strategy Assessment Framework (CSAF), which provides a forward-looking perspective on transition readiness. Together, CSAF and physical intensity metrics provide an informed view on where our clients are likely headed relative to our financed emissions reduction targets.

In some cases, lending to companies that are decarbonizing may result in temporary increases in our financed emissions. We are also aware of the need to balance climate considerations with real-time energy security and affordability needs. In addition, it is important to note that our financed emissions targets are premised on the global economy and our clients decarbonizing on a similar emissions trajectory. However, we must recognize that current policies, technology adoption and consumption habits are not aligned with a 1.5˚C outcome. As detailed later in this section, our clients are increasingly highlighting the challenges of achieving their own targets, which in turn may mean our firm may not meet its own targets. That said, we remain committed to engaging with clients to support their climate transition strategies and the broader global transition toward net-zero emissions by 2050.

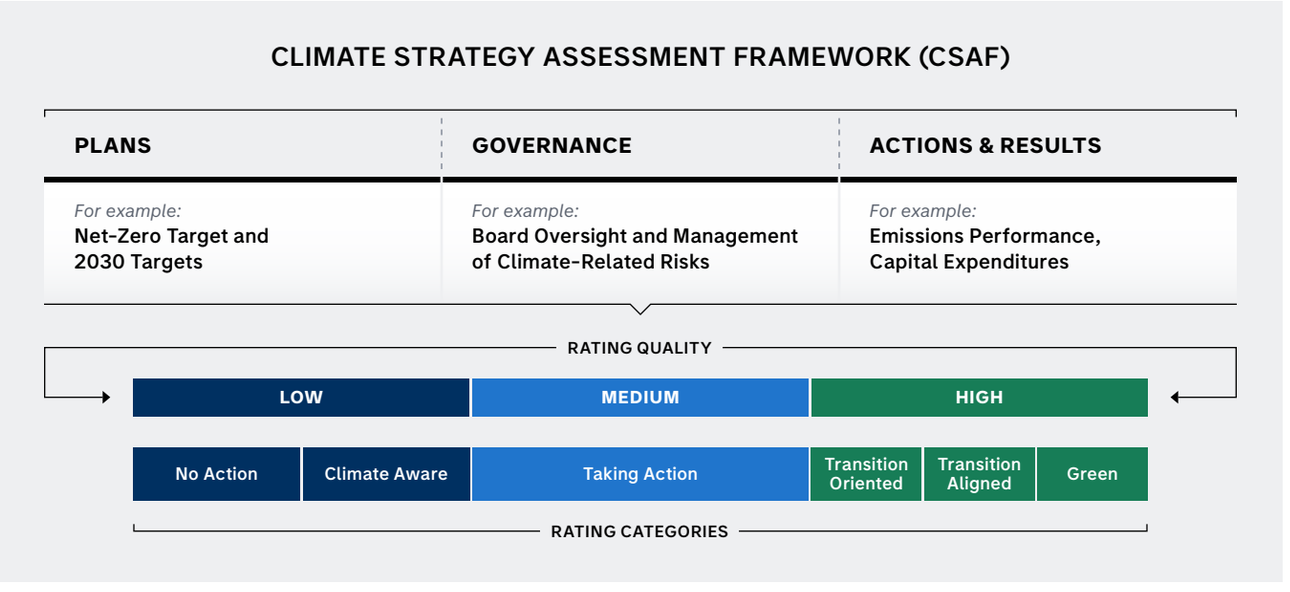
We have several processes to help us monitor progress toward our 2030 interim targets, including: 1) annual updates to our CSAF profiles to reflect incremental disclosures or additional business activity; 2) business unit reviews of corporate loans within our interim target sectors, incorporating physical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

Climate Strategy Assessment Framework (CSAF)

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

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

Most of our clients have established decarbonization commitments and continue to work toward them. For example, over 85% of our total committed financing across our six target sectors is for companies that we consider to have a medium- or high-quality transition plan. Furthermore, more than 60% of our clients across these six sectors have long-term operational (Scope 1 and 2) targets to reach net-zero by 2050, while ~70% have emissions-reduction targets by 2030.



However, sector-specific challenges to achieving stated targets became more pronounced in 2025, as outlined in the table below. These dynamics are occurring alongside material changes in climate policy that may further slow the pace of the transition. We are increasingly seeing clients acknowledge and articulate the risks of falling short of their goals.

KEY CSAF OBSERVATIONS AS OF YEAR-END 2025

SECTOR	CLIENT AMBITIONS	IMPLEMENTATION CHALLENGES
Auto Manufacturing	All clients plan to scale electrified vehicle (EV) production.	Slower-than-expected EV adoption driving target delays, scale-backs or removals; EV incentive rollbacks and weaker U.S. emissions standards.
Aviation	>85% of clients have SAF targets or plans, typically aiming for 5–10% of fuel use by 2030.	Cost and limited supply constraining SAF adoption; aircraft delivery delays slowing efficiency gains.
Chemicals	~90% of clients have 2030 emissions reduction targets primarily driven by renewables switching and energy-efficiency improvements.	Slower-than-expected grid decarbonization; technical and economic challenges addressing Scope 1 (e.g., high-heat processes, feedstocks).
Energy	~60% of clients have targets to reduce or nearly eliminate methane by 2030 or sooner.	Near-term dependency of global economy on fossil fuels for continued growth impacts end-use emissions.
Mining	~80% of clients have 2030 emissions reduction targets primarily driven by renewables switching and energy-efficiency improvements.	Slower-than-expected pace of grid decarbonization and remote location constraints; Scope 1 reductions constrained by limited electrification options for mobile equipment.
Power	~65% of clients plan to increase renewable generation capacity and/or phase down or eliminate coal-fired capacity.	Growing power demand (e.g., AI, electrification) driving target resets, delayed coal retirements, and new gas capacity; modifications to clean energy incentives.

Financed Emissions

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

This section includes data tables summarizing physical intensity and absolute financed emissions,[29] for our six target sectors. All targets are inclusive of our corporate relationship lending exposure on a year-end committed basis. For further information, refer to Morgan Stanley's 2030 Interim Financed Emissions Targets Report, which details sector-specific methodologies, assumptions and risks.

Physical Intensity

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

The following physical intensity metrics represent our corporate relationship lending portfolio using committed amounts as of year-end 2024. Our 2024 portfolio results reflect the latest available 2024 emissions data for our lending portfolio, with the one-year time lag due to client emissions data often being unavailable until 12-18+ months after the fiscal year-end.

SECTOR	IN-SCOPE EMISSIONS	2030 TARGET	2030 TARGET VALUE	METRIC	2022 TARGET BASE YEAR	2023	2024
Auto Manufacturing	Scope 1 + 2 and Scope 3 (Category 11)	29% to 45%	84 to 109	gCO_2e/ vehicle km	153	148	153
Aviation	Scope 1	13% to 24%	663 to 759	gCO_2e/ revenue tonne km	872	870	827
Chemicals	Scope 1 + 2	18% to 28%	546 to 622	$kgCO_2e$/ tonne produced	758	647	597
Energy—End Use	Scope 3 (Category 11)	10% to 19%	48.9 to 54.4	gCO_2e/MJ	60.4	60.2	59.9
Energy—Operational	Scope 1 + 2	12% to 20%	4.9 to 5.4	gCO_2e/MJ	6.2	6.1	5.8
Mining	Scope 1 + 2	23% to 31%	4.9 to 5.5	tCO_2e/ tonne CuEq	7.1	7.1	5.9
Power	Scope 1	45% to 60%	142 to 195	$kgCO_2e$/ MWh	355	316	327

YEAR-OVER-YEAR SECTOR OBSERVATIONS 2023 TO 2024[30]

SECTOR	OBSERVATIONS
Auto Manufacturing	Emissions intensity increased by 3%, largely due to increased portfolio weights of higher-intensity clients, despite physical intensity generally decreasing at the company level.
Aviation	Emissions intensity decreased by 5%. This was mainly driven by new lending to clients with physical intensities below the sector average. Physical intensity also generally decreased at the company level.
Chemicals	Emissions intensity decreased by 8%, reflecting increased portfolio weights of lower-intensity clients. Physical intensity also generally decreased at the company level.
Energy—End Use	End-use emissions intensity decreased slightly, reflecting changes in portfolio composition amid largely stable company intensities.
Energy—Operational	Operational emissions intensity decreased by 5%, mainly driven by higher portfolio weights of lower-intensity clients.
Mining	Emissions intensity decreased by nearly 17%, mainly attributable to new lending to lower-intensity clients.
Power	Emissions intensity increased by 3%, largely attributed to decreased lending to clients with physical intensities below the sector average. This shift in portfolio composition more than offset generally decreasing physical intensity at the company level.

[29] Morgan Stanley's Financed Emissions Methodology is described in the Appendix.

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

Absolute Financed Emissions (AFE)[31,32]

Our AFE metric represents the firm's proportional share of clients' absolute emissions, resulting from our corporate lending activities in the reporting year. We have chosen to report AFE in alignment with the six sectors covered by our interim financed emissions targets; the base year for both metrics is 2022.

Per PCAF methodology, we only calculate AFE on loans that were drawn as of the last day of the year. Using drawn exposure amounts, rather than committed exposure as used for our intensity-based targets, increases the variability of the AFE metric. For 2022 and 2023 we excluded loans representing 6.7% and 0.1% of our lending on a total funded exposure basis, respectively. These exclusions were due to a lack of financial information available for certain borrowers, such as those in bankruptcy or prior to operationalization of a project.

For 2024, we implemented a new calculation approach that applies a sector-based Asset Turnover Ratio (as informed by the PCAF methodology) to estimate financed emissions for borrowers with unavailable financial information.[33] Accordingly, we no longer have a data coverage gap and we expect to apply this approach going forward. There are no additional exclusions from our calculated AFE population based on data, materiality or other methodological issues.

Year-over-year changes are driven by a combination of changes in emissions performance at the company level, sector portfolio composition, and drawn amounts at year-end.

SECTOR (tCO_2e)	IN-SCOPE EMISSIONS	2022	2023	2024
Auto Manufacturing		**95,039**	**42,453**	**10,686**
	Scope 1 + 2	1,164	672	171
	Scope 3	93,875	41,781	10,515
Aviation		**65,142**	**40,460**	**76,323**
	Scope 1 + 2	58,647	36,895	68,284
	Scope 3	6,495	3,565	8,039
Chemicals		**822,562**	**1,333,791**	**363,807**
	Scope 1 + 2	197,736	592,265	196,875
	Scope 3	624,826	741,526	166,932
Energy		**3,602,827**	**2,415,884**	**1,305,030**
	Scope 1 + 2	209,604	190,918	141,228
	Scope 3	3,393,223	2,224,966	1,163,802
Mining		**117,858**	**69,522**	**469,007**
	Scope 1 + 2	21,756	16,597	33,241
	Scope 3	96,102	52,925	435,766
Power		**861,149**	**720,779**	**163,561**
	Scope 1 + 2	492,157	458,165	110,788
	Scope 3	368,992	262,614	52,773

See Important Notices in the Appendix. Also note that data in the Physical Intensity and AFE tables:[34]

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

31 Morgan Stanley's Financed Emissions Methodology is described in the Appendix.

32 The 2024 Absolute Financed Emissions information for all sectors presented was subject to Deloitte & Touche LLP's review. See the Independent Accountant's Report in the Sustainability Metrics Statement. Deloitte & Touche LLP previously performed a review engagement over the 2023 Absolute Financed Emissions information for all sectors presented and the 2022 Absolute Financed Emissions information for the Aviation sector, Chemicals sector and Mining sector. See the Independent Accountant's Review Report, page 64 in Morgan Stanley's 2024 Sustainability Report. Additionally, Deloitte & Touche LLP previously performed a review engagement over the 2022 Absolute Financed Emissions information for the Auto Manufacturing sector, Energy sector and Power sector. See the Independent Accountant's Review Report, page 89 in Morgan Stanley's 2023 Report.

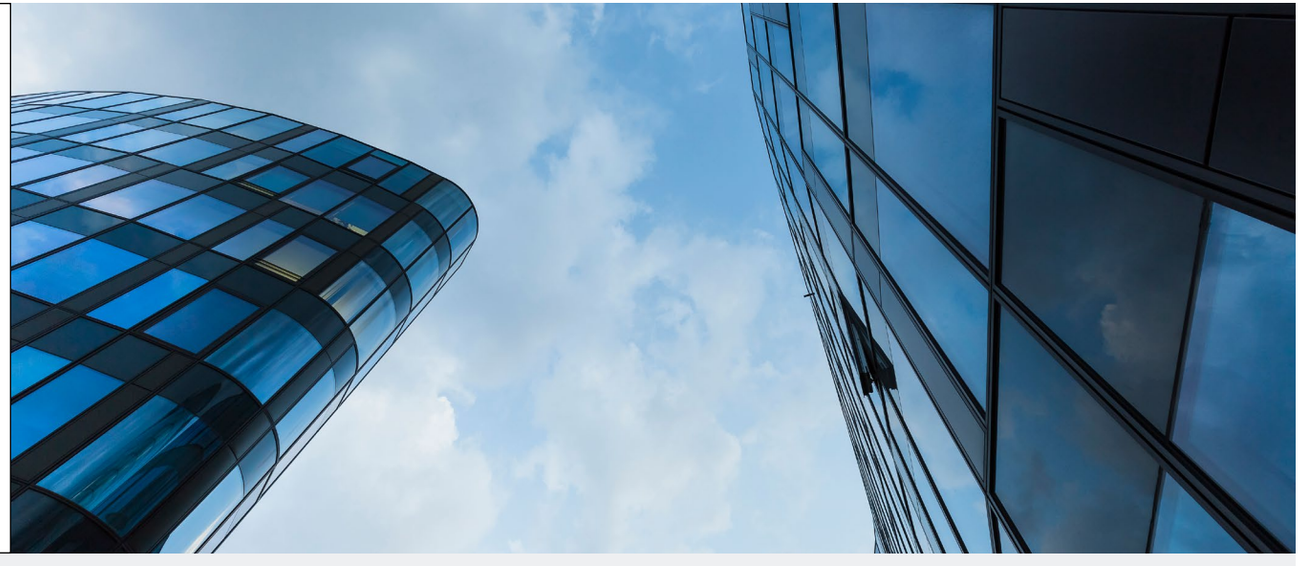
33 Assessment of the impact of the new calculation approach did not identify any significant differences in prior-year results that would warrant revision of previously reported information.

34 Also see "How Carbon Emission Data Challenges Impact Our Target Reporting" on page 53 of our 2022 Report.

Data Quality Scores

ABSOLUTE FINANCED EMISSIONS

YEAR	SCOPE 1 + 2	SCOPE 3
2022	3.1	3.3
2023	3.0	3.2
2024	2.7	3.2



PCAF DATA QUALITY SCORES

Morgan Stanley's calculation of data quality scores for our financed emissions reporting is informed by the PCAF guidance, but also based on the methodology of our third-party data vendor. These scores indicate the quality of the source of the emissions data underlying our calculations, on a scale from 1 to 5, with 1 being the highest quality. For further details on our approach, see page 35 of our 2024 Sustainability Report and the Financed Emissions Methodology section in the Appendix.

Data quality scores generally continue to improve year-on-year for AFE, particularly Scope 1 and 2 as shown in the table above. However, we continue to see an overall lower level of reported Scope 3 emissions data from companies compared to Scope 1 and 2.

Embed Sustainability in Our Operations

Morgan Stanley's sustainability strategy integrates planning and actions across our facilities, resource management, environmental products procurement, and employee engagement. We approach the sustainability of our operations through four focus areas:

Incorporate Sustainability in Design and Operations
Our office and data center design, refurbishment, equipment selection, and supplier engagement incorporate sustainability principles.

1

Optimize Resource Use
We measure and manage energy and resource consumption across global operations.

2

Purchase Carbon Products[35]
We purchase high-quality carbon credits, Sustainable Aviation Fuel certificates and certificates of renewable electricity equivalent to specified emissions, including Scope 1, Scope 2, and Scope 3 Downstream leased assets and business travel. See 100% Renewable Electricity Commitment and the Carbon Credits Strategy section for more information.

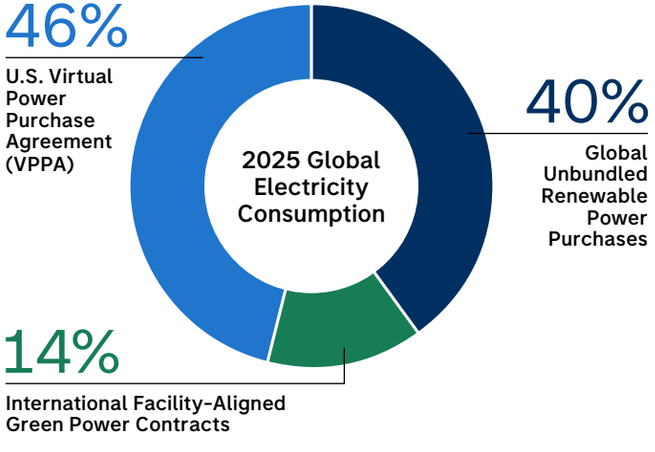
3

Enable Workforce Engagement
We engage our employees to raise awareness around operational sustainability, best practices and programs that support firmwide impact.

4

100% Renewable Electricity Commitment

In 2025, we continued to align our global electricity consumption with certificates of renewable electricity production provided by our U.S. Virtual Power Purchase Agreement (VPPA) and obtained through our international facility-aligned green power contracts and global unbundled renewable power purchases. Our wind farm VPPA in Bennington, Illinois, continues to cover two-thirds of our North American electricity consumption, which represents just under half of our global electricity consumption. Additionally, we have on-site solar at a data center and office campus.





SPOTLIGHT

EMBEDDING SUSTAINABILITY INTO OUR REAL ESTATE

Across our global real estate portfolio, we integrate sustainability into office design and renovation. For example, during ongoing renovations at our New York offices, construction waste was diverted from landfill.

The firm also pursues certifications via the U.S. Green Building Council (USGBC®) in Leadership in Energy and Environmental Design (LEED®) and Center for Active Design (CfAD®) for Fitwel®, which focuses on health, wellbeing and occupant experience. In 2025, we obtained LEED® certification of 230K square feet and Fitwel® certification of 2.4MM square feet across 14 projects.

[35] Morgan Stanley's procurement of carbon products reflects the actions described by the firm's 100% Renewable Electricity Commitment and Carbon Credits Strategy. For any given year, our procurement action is based on the best available data at the time of such determination. This data and related methodologies are evolving and improving, so information from prior periods is subject to change and revision.

Our procurement action is a management-determined strategy to purchase carbon products equal to the boundary of the firm's Scope 1, Scope 2 market-based, Scope 3 downstream leased assets and Scope 3 business travel emissions. There are instances where we purchase certificates of renewable electricity production that do not align with the criteria required to reflect those purchases in our Scope 2 market-based figure in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) ("GHG Protocol") and as such are not included in our reported Scope 2 market-based emissions. However, we include these certificates in meeting our 100% Renewable Electricity Commitment. The carbon products we purchase include Sustainable Aviation Fuel certificates, a diverse mix of avoidance and carbon removal credits, and certificates of renewable electricity production provided by our U.S. Virtual Power Purchase Agreement (VPPA) and obtained through our international facility-aligned green power contracts and global unbundled renewable power purchases. For our GHG emissions table aligned with the GHG Protocol, see the Operational Emissions section.

Carbon Credits Strategy

We support the transition to a low-carbon economy by sourcing Sustainable Aviation Fuel (SAF) certificates and carbon credits that aim to reduce greenhouse gas emissions, restore nature, commercialize decarbonization technologies and promote sustainable resource management.

As the global aviation industry strives to increase the share of sustainable fuels, voluntary procurement of SAF certificates can support the growth of the industry for these alternative fuels.

In 2025, we sourced SAF certificates as well as a diverse mix of high-quality[36] avoidance and removal carbon credits. These carbon credits included projects focused on Improved Forestry Management (IFM), methane leakage prevention, mangrove restoration, carbon sequestration in concrete, and the capture and destruction of N_2O process emissions.[37] In accordance with our carbon purchasing policy and governance process, each project from which we source offsets is certified by an internationally recognized carbon standard and subject to periodic Monitoring, Reporting and Verification (MRV) by independent third parties. Beyond emission reduction outcomes, we also consider the co-benefits of projects, which could include economic growth in local communities or other positive nature-based outcomes, such as increased biodiversity.



SPOTLIGHT

RESTORING MANGROVES IN THE TIDAL WETLANDS OF PAKISTAN

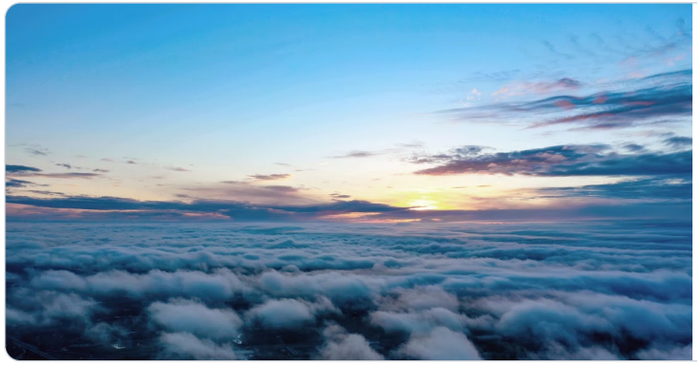
The Delta Blue Carbon project aims to rehabilitate and restore 225,000 hectares of degraded mangrove forests in the Indus Delta Tidal Wetlands. It is estimated that over the 60-year lifetime of the project, approximately 142 million metric tons of carbon dioxide-equivalent emissions (CO_2e) will be removed from the atmosphere while protecting the biodiversity of wetland fish and wildlife habitats—including a number of endangered and threatened species.

SPOTLIGHT

CAPPING 'ORPHANED' OIL AND GAS WELLS IN THE U.S.

Orphaned wells are oil or gas wells with no responsible party or operator. When left unplugged these wells can leak methane approximately 84x more potent than carbon dioxide over 20 years, as well as other harmful gases. Emissions from orphaned wells accelerate near-term climate change and can pose health and environmental risks to surrounding communities and waterways. By identifying and plugging orphaned wells, the carbon offset project developer Tradewater has helped prevent over 700,000 metric tonnes of CO_2e from being released to the atmosphere.





SPOTLIGHT

HOW COMPANIES ARE APPROACHING VOLUNTARY CARBON CREDITS

Beyond our own carbon credits strategy, the Morgan Stanley Institute for Sustainable Investing is advancing understanding on the state of voluntary carbon markets and the drivers for corporate participants within them. In 2025, the Institute surveyed 225 global corporates on their voluntary carbon markets strategies. This research identified that companies buying carbon credits today see their volumes of carbon credit purchases increasing over time, while those who intend to buy in the future anticipate being most influenced by pricing and regulation. See the full report on our website for more details.

[36] References to "high-quality" carbon credits reflect Morgan Stanley's assessments of the underlying projects at the time of sourcing, based on third-party ratings and project-specific monitoring, reporting and verification (MRV) results, which are subject to change over the life of a project. We do not undertake to update our project assessments or the disclosures provided in this report as a result of changes to third-party ratings or MRV results, nor do we undertake to independently validate information obtained from third parties.

[37] Refer to our 2026 California Voluntary Carbon Market Disclosure for further information.

Operational Emissions[38]

During 2025, total location-based emissions dropped by about 11% compared to 2024, primarily due to lower Scope 1 and 3 emissions. The Scope 1 decrease of 15% was driven by fewer real estate locations in the organizational boundary consuming natural gas and lower jet fuel consumption by the global aircraft fleet. Scope 3 decreased by approximately 29% in 2025 due to a change in third-party emission factors for air travel, which reduced the emission intensity of commercial air travel. Emission factor details are provided in the Operational Emissions Methodology section in the Appendix.

During 2025, total market-based emissions were approximately 29% lower compared to 2024 due to reduced Scope 3 emissions and the application of additional GHGP-compliant renewable instruments.

In 2025, we adopted a new carbon accounting software to enhance our management of GHG emissions data. Additional detail on resulting methodology changes and our assessment of potential impacts to prior-year disclosures is provided in the Operational Emissions Methodology section in the Appendix.

GHG Emissions Data

EMISSIONS ($mtCO_2e$)	(Base Year) **2023**	**2024**	**2025**[39]
Scope 1	**24,201**	**19,636**	**16,724**
Scope 1: Real Estate	**19,694**	**14,032**	**12,169**
Scope 1: Mobile Combustion	**4,507**	**5,604**	**4,555**
Scope 2: Location-Based	**229,954**	**226,774**	**222,481**
Scope 2: Market-Based	**31,804**	**8,730**	**3,742**
Total Location-Based: Scope 1 & 2	**254,155**	**246,410**	**239,205**
Total Market-Based: Scope 1 & 2	**56,005**	**28,366**	**20,466**
Scope 3 Total Category 6 & 13	**98,289**	**105,497**	**75,098**
Scope 3: Category 6 Business Travel	**96,031**	**103,519**	**74,869**
Scope 3: Category 13 Downstream Leased Assets	**2,258**	**1,978**	**229**
Total Location-Based Emissions	**352,444**	**351,907**	**314,303**
Total Market-Based Emissions	**154,294**	**133,863**	**95,564**

[38] Morgan Stanley's Operational Emissions Methodology is described in the Appendix.

[39] The 2025 Operational Emissions information was subject to Deloitte & Touche LLP's review. See the Independent Accountant's Report in the Sustainability Metrics Statement. Deloitte & Touche LLP previously performed a review engagement over the 2024 Operational Emissions. See the Independent Accountant's Review Report, page 64 in Morgan Stanley's 2024 Sustainability Report. Additionally, Deloitte & Touche LLP previously performed a review engagement over the 2023 Operational Emissions. See the Independent Accountant's Review Report, page 89 in Morgan Stanley's 2023 Report.

Manage Climate Risk

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

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

PHYSICAL RISKS

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

TRANSITION RISKS

Climate-related transition risks include policy, legal, technology and market changes. Examples of these transition risks include changes in consumer and business sentiment, related technologies, shareholder preferences and any additional regulatory and legislative requirements, including increased disclosure requirements or taxation of carbon emissions. These risks could increase our expenses and adversely affect our strategies. Negative impacts to certain of our clients, such as decreased profitability and asset write-downs, could also lead to increased credit and liquidity risk to the firm.

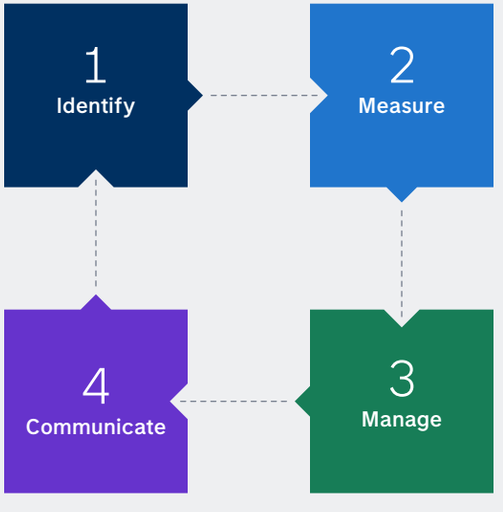
Additionally, our reputation and client relationships may be adversely impacted as a result of our or our clients' involvement, or lack of involvement, in certain practices that may impact, or are perceived or associated with impacting, the climate. Moreover, legislative or regulatory change regarding climate-related risks, including inconsistent requirements and uncertainties, could result in loss of revenue or increased credit, market, liquidity, regulatory, compliance, reputational, or other risks and costs.

Climate Risk Framework

Morgan Stanley continues to enhance its capabilities for identifying and managing climate-related financial risks. Morgan Stanley Firm Risk Management works with stakeholders across the firm to identify, measure, manage and monitor climate-related financial risks the firm may face. Morgan Stanley views climate risk as an overarching risk that can impact other risk types, such as credit, market, operational and liquidity. As climate risk is interconnected with other risk types, we have developed (and continue to enhance) processes to embed relevant climate risk considerations into our risk management practices and governance structures, taking into account considerations such as time horizons, where appropriate. The metrics used to assess the impact of climate risks are consistent and comparable with those used to monitor and manage other risk types, such as exposure concentrations to industries or geographies, or stress loss estimates.

Morgan Stanley's Risk Management Framework

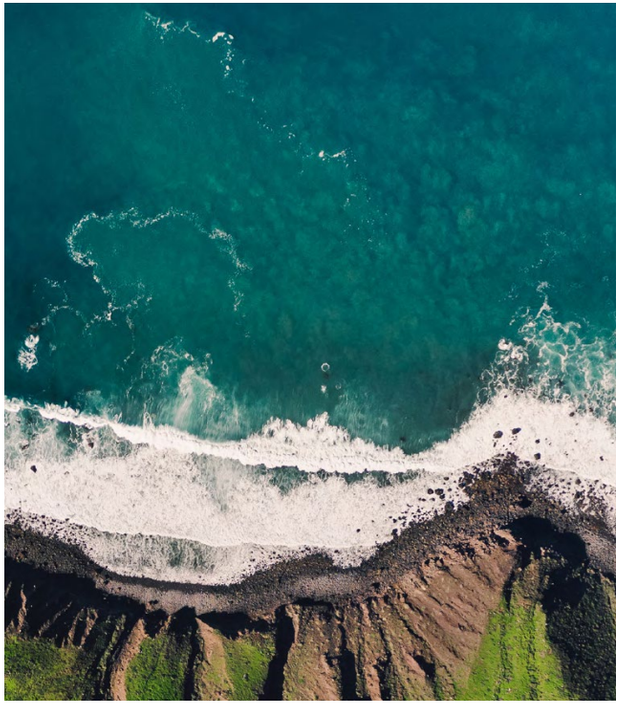
Morgan Stanley manages climate risk through the application of its standard risk management framework. This framework is divided into four steps:



Risk Identification

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

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



Scenario Analysis

In order to measure, manage and communicate climate risks, we leverage scenario analysis to identify potential vulnerabilities in our business and measure the resulting impact.[40]

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

TRANSITION RISK SCENARIO ANALYSIS

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

PHYSICAL RISK SCENARIO ANALYSIS

Physical risk scenario analysis helps Morgan Stanley understand the potential impact of climate-related physical events on our business. Physical risk scenarios leverage internal inputs and models, adjusting them for climate-specific factors based on the scenario narrative.

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

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

TIME HORIZONS FOR SCENARIO ANALYSIS

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

Climate Risk Governance

We maintain a governance process to regularly communicate climate risk updates to key internal stakeholders and committees. This process helps to ensure appropriate oversight and transparency. The FRM Climate Risk Committee is responsible for reviewing climate-related financial risk matters, including the integration of climate risk into decision-making and the firm's exposure to physical and transition climate risk. The Firm Risk Committee and the Board Risk Committee also receive climate risk-related information as necessary and appropriate. More information on sustainability-related governance is included in the Governance and Risk Management section.

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

Impact in Our Communities

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

We aim to advance this ambition through four key themes:



1

CHILDREN'S HEALTH

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

2

EDUCATION

We work to help improve career readiness for students from under-resourced communities.

3

FINANCIAL INCLUSION

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

4

SUSTAINABILITY

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

When wildfires tore through Los Angeles in January 2025, our employees faced sudden challenges, including evacuations and loss of housing and essentials. In response, the Community Affairs team partnered across divisions—namely with Firmwide Sourcing, Legal and Compliance, and Technology—to accelerate the launch of the Morgan Stanley Employee Relief Fund. This provides charitable grants to U.S.-based employees affected by disasters and enables colleagues to support one another.

Supporting Community Development Finance

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

Our U.S. subsidiary banks, Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association, have consistently received "Outstanding" ratings from the Office of the Comptroller of the Currency for their record of meeting community needs. In 2025, we made over $2.7 billion* in qualified community development loans and investments under the Community Reinvestment Act (CRA). The CRA program seeks to transform communities' quality of life through a focus on:

QUALITY MULTIFAMILY AFFORDABLE HOUSING
- New construction and rehabilitation
- Preservation and extension of affordability
- Resident services
- Homelessness prevention
- Capital for public housing

HEALTHY COMMUNITIES
- Primary care clinics
- Healthy foods
- Transit-oriented developments

ECONOMIC DEVELOPMENT
- Capital for small businesses

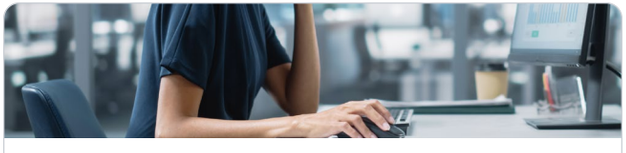
* All or a portion of the assets represented by this metric have been counted toward the firm's Sustainable Finance Target.



SPOTLIGHT

AFFORDABLE HOUSING AND SUPPORTIVE RESIDENT SERVICES

Construction, preservation and rehabilitation of affordable housing are core components of our community development strategy. In 2025, our Community Development Finance (CDF) team financed the construction of a new affordable apartment building in Merced County, California. A portion of the units are designated for homeless or at-risk-of-homelessness households and people fleeing domestic violence. The investment also funds a suite of supportive services for tenants, including adult education, after-school programs and physical health services.



SPOTLIGHT

ECONOMIC DEVELOPMENT THAT SUPPORTS SMALL BUSINESSES

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

SPOTLIGHT

INVESTMENTS IN RURAL MARKETS

We work with mission-oriented partners to identify projects located in rural and low-income areas that support the needs of residents and the surrounding communities. In 2025, Morgan Stanley provided a New Markets Tax Credit Investment to support the Southern Minnesota Beet Sugar Cooperative (SMBSC), a farmer-owned cooperative established in 1972. SMBSC's mission is to deliver stable long-term income to member-growers. The co-op operates a vertically integrated processing facility, headquartered in Renville, Minnesota, that converts sugar beets from over 500 member-growers into refined sugar and associated products.



SPOTLIGHT

CAPACITY BUILDING FOR NONPROFITS

CDF supports nonprofit partners and funds capacity-building to help develop the next generation of leaders in the community development field. Together with the Association for Neighborhood and Housing Development in New York City and the Community Foundation of Utah in Salt Lake City, the firm developed the Morgan Stanley Community Development Fellowship Program to offer graduate students in urban planning, public policy, social work and related fields an academic-year internship with a community development-oriented nonprofit.

Capacity Building

Inclusive & Sustainable Ventures[41]

Morgan Stanley Inclusive & Sustainable Ventures (MSISV) provides early-stage innovators with access to capital and resources to help them develop and scale. Our mission is to catalyze innovation and impact by supporting early-stage startups and nonprofits that are building solutions for a more inclusive and sustainable future.

MSISV has distributed more than $42 million in capital* to 165 startups and organizations since inception. MSISV leverages Morgan Stanley's Integrated Firm approach and deep expertise to better serve the needs of early-stage startups and nonprofits.

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

The 2025 cohort companies were selected for their innovative solutions in the areas of enterprise software, healthcare, process optimization, financial technology and environment. Learn more about the companies from the 2025 cohort, as well as past participants, on our website.

The Japan Inclusive Ventures Lab (JIVL) supports startups in Japan, leveraging MSISV. Operated in partnership with Mitsubishi UFJ Morgan Stanley Securities, our securities joint venture partner in Japan, JIVL represents a deeper level of collaboration between Morgan Stanley and MUFG.

See our web pages dedicated to MSISV and JIVL for more information.



Morgan Stanley Inclusive & Sustainable Ventures was named **one of Europe's leading startup hubs** by The Financial Times.

In 2025, Morgan Stanley Inclusive & Sustainable Ventures was named **World's Best Financial Innovation Lab** by Global Finance.

SUSTAINABILITY IN NUMBERS

165

companies have participated in the program

$42MM+

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

[41] Data on this page is as of February 2026.

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

Institute for Inclusion

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

The IFI exemplifies the firm's commitment to investing in communities and maintaining a culture of inclusion and belonging where everyone feels supported. An independent advisory board composed of prominent leaders in business, academia and nonprofit organizations, as well as Morgan Stanley Board members, leads the IFI and guides its work and strategic priorities.

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

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

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

Our Clients: We partner with our clients to drive meaningful impact in areas that are important to them and aligned with our Core Values.

Supporting Small Businesses

We understand that small businesses can lack the experience and resources needed to work with large organizations, which often prevents small businesses from gaining a foothold in the marketplace. The firm's Small Business Academy (the "Academy") helps bridge this gap by equipping entrepreneurs with the expertise they need to win business.

Launched in 2022, the Academy empowers small-business leaders through education, best-practice sharing and mentorship. The Academy helps U.S. and EMEA small businesses stand out in the procurement process, strengthen their business knowledge and build their professional network. The 12-week program is virtual and facilitated by instructors who guide participants through interactive workshops, coaching sessions and a capstone project. Graduating businesses receive ongoing support from Morgan Stanley. In 2025, 16 small businesses participated in our fourth cohort, and 55 companies have graduated since the start of the program. For more information on our Small Business Academy, see our website.



Institute for Sustainable Investing

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

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



Empowering Investors With Insights

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

Developing Future Sustainable Finance Leaders

SUSTAINABLE FINANCE FELLOWSHIP

The Sustainable Finance Fellowship, launched in 2014, welcomes talented university students who spend 10 weeks of their summer learning from Morgan Stanley sustainability experts and sustainable investing specialists. Each year, the Sustainable Finance Fellowship places students on sustainability-focused teams in our New York and London offices. In 2025, fellows worked on projects across a number of business units including the Global Sustainability Office, Institutional Securities Group's Global Capital Markets, Wealth Management's Investing with Impact and Investment Management's Private Credit & Equity.

SUSTAINABLE INVESTING CHALLENGE

The Kellogg-Morgan Stanley Sustainable Investing Challenge, in partnership with the Kellogg School of Management at Northwestern University, invites teams of graduate students from around the world to develop and pitch creative financial approaches to tackling pressing social and environmental challenges. The 2025 challenge marked the competition's 15th year and included participation from more than 545 students from 65 countries. Volunteers from across the sustainable investing community offered their services as mentors and judges. After a day-long competition in London, a panel of sustainable finance experts and senior practitioners selected students from Saïd Business School, University of Oxford, as the winners. Their proposal combined concessional loans and parametric insurance to provide affordable flood resilience financing to low-income households in Bangladesh.

Giving Back

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

The Morgan Stanley Foundation and the Morgan Stanley International Foundation, established more than 60 and 30 years ago, respectively, lead our philanthropic efforts. Our approach is rooted in creating significant and meaningful benefits for the communities in which we live and work through long-term collaboration with leading nonprofit organizations and mobilizing our employees to make a difference. In 2025, our firm and charitable foundations donated more than $127 million to nonprofit organizations around the world.

Supporting Children

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

Morgan Stanley marked five years of its Alliance for Children's Mental Health ("Alliance") in 2025 and announced $15 million in new multiyear grants to its nonprofit members as part of the firm's $50 million commitment to advancing youth mental health solutions. The Alliance combines the resources and reach of Morgan Stanley with the knowledge and experience of distinguished nonprofits to address the youth mental health crisis, reaching over 53 million children, caregivers and educators globally since its inception.

In 2025, the Alliance supported the fourth cohort of winners of its annual Innovation Awards, a program that funds transformative mental health care solutions for children and young adults across the U.S. The Alliance continued its Leadership Learning Series to support more nonprofits beyond the five winners, especially early-stage organizations seeking to grow their children's mental health programming for greater impact. The Alliance also continued to fund research and drive conversations within the children's mental health field, including examining stressors from an intergenerational perspective and how families can promote youth wellbeing in today's fast-changing world.

Across EMEA, the long-term effects of the pandemic and the cost-of-living crisis continued to deeply affect outcomes of children and adolescents. In response to this increased need, we continued to support charity partners across the region, focusing on long-term, sustainable outcomes. By backing innovative solutions delivered by our 10 partner charities in London, Budapest, Glasgow, Frankfurt and Paris, we helped address food insecurity, poverty alleviation, social mobility, physical and mental health issues, and equal access to education.

In 2025, Morgan Stanley launched its inaugural EMEA Impact Through Innovation Awards, which aims to seed-fund solutions from up to 10 charitable organizations that address health, mental wellbeing or educational outcomes for children and adolescents. The Awards help scale pioneering projects, connect ideas with capital and build capacity for charitable organizations, including through an expert-led learning series to help improve the strength, growth and impact of the charity sector.



The Morgan Stanley Alliance for Children's Mental Health has reached over 53 million children, caregivers and educators globally.

MORGAN STANLEY ALLIANCE FOR CHILDREN'S MENTAL HEALTH

Employee Volunteering

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

2025 HIGHLIGHTS INCLUDE:

Global Volunteer Month: Since 2006, this annual cornerstone program has brought our employees together to volunteer, delivering 3.4 million hours to local and international nonprofits since its inception. In 2025, over 65,000 employees (more than 80% of our firm) in 36 countries devoted approximately 290,000 hours to local organizations addressing hunger relief, environmental conservation, education and more.

Strategy Challenge: Since 2009, this annual, pro bono program in New York and London has harnessed the professional skills of our employees to provide strategic advice to local nonprofits and help them scale their missions. We have delivered 170,000 hours of pro bono service (valued at over $29 million) to 206 nonprofits since the program's inception. Recommendations from our teams have led to more effective business models, expanded services and improved productivity.

Philanthropic Incentives: In 2025, we granted over $2 million to hundreds of nonprofit organizations at which our employees serve as dedicated volunteers or governing board members. We also ran charitable giving and matching programs for employees across our regions to expand the impact of their giving.

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

Our employees regularly volunteer with the organization and contribute pro bono advice.

In Hong Kong, the firm partnered with nonprofits including Kids4Kids, Mind HK and Love21 Foundation to empower young people, raise mental health awareness and foster inclusion for the neurodiverse community. In Japan, we worked with Little Olive Child Foundation, Mirai no Mori and Yokohama Children's Hospice Project, which serve children facing serious hardships by providing supportive and nurturing environments. In India, the firm supported 14 charity partners, including Advanced Centre for Treatment, Research and Education in Cancer (ACTREC) and United Way Mumbai, across projects focused on education, health care, climate resilience and disaster relief, reinforcing our commitment to improving outcomes for children and families.

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



SUSTAINABILITY IN NUMBERS

$127MM+
donated by the firm and its charitable foundations in 2025

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

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

Governance and Risk Management

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



Sustainability Oversight

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

Our Board committees have explicit oversight responsibilities for sustainability across the firm. The Governance and Sustainability (G&S) Committee oversees sustainability matters and policies, as appropriate. Additionally, the Audit Committee reviews the firm's voluntary public sustainability and climate disclosures; the Compensation, Management Development and Succession Committee assists the Board in its oversight of strategies, policies and practices related to human capital management; the Operations and Technology Committee assists the Board in its oversight of operational risk, including information technology, information security, fraud, third-party oversight, business disruption and resilience, and cybersecurity risks; and the Risk Committee oversees climate risk. Our Board committees report to the full Board on matters within their remit, as appropriate.

Morgan Stanley believes that an effective board consists of individuals who possess a variety of complementary skills and a range of tenures. The G&S Committee and the Board regularly consider these skills in the broader context of the Board's overall composition, with a view toward constituting a board that has the best skill set and experience to oversee the firm's business and the broad set of challenges it faces. For additional information, see our 2026 Proxy Statement.

Business Ethics

As a global financial institution, our ethical standards are an integral part of our governance framework.

We reinforce our focus on integrity through our Code of Conduct and Code of Ethics and Business Conduct, which guide the day-to-day behavior of our approximately 83,000 employees. Every new hire and every employee annually is required to certify to their understanding of and adherence to the Code of Conduct.

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

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

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

Morgan Stanley's Corporate Political Activities Policy Statement, which states our policies on U.S. political contributions, political action committees, lobbying activities and trade association participation, is approved by the Board's G&S Committee. In accordance with the policy, we did not make any corporate contributions in 2025 in the U.S. at the federal, state and local level to candidates, political party committees, ballot committees or political action committees, even where permitted to do so by law.



Engaging With Stakeholders

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

STAKEHOLDER GROUP	FORMS OF ENGAGEMENT	2025 EXAMPLES
Shareholders	▪ Ongoing dialogue with institutional investors ▪ Use of investor-focused voluntary reporting frameworks to inform this report ▪ Responses to inbound questions and surveys	Our Global Sustainability Office, Human Resources, and Environmental and Social Risk Management teams joined Investor Relations in engagements with institutional shareholders on sustainability topics throughout 2025. Discussions covered climate change, our workforce, firmwide strategy, and governance and compensation practices, among other topics.
Clients	▪ Events and analysis on sustainable investing and finance topics ▪ Collaboration on new product development to meet client sustainability needs ▪ Ongoing dialogue with clients ▪ Responses to inbound questionnaires, requests for proposals and surveys	We held several sustainability conferences for clients and other stakeholders globally, including the 10th annual Morgan Stanley Innovation and Impact Summit, which showcased leaders from across sectors to discuss the latest trends in sustainable investing and finance. Hosted by Morgan Stanley moderators across the firm, the format included a mix of fireside chats, panels and breakout discussions. The event featured content from corporates, investors and Morgan Stanley's Institute for Sustainable Investing.
Employees	▪ Employee networks, events and campaigns (see Employee Networks and Forums) ▪ Company intranet, which includes articles and other resources ▪ Employee surveys	As part of the Sustainable Knowledge Hub's webinar series for employees, Morgan Stanley's Head of Firmwide Sustainability held a session on scalable carbon dioxide removal, market trends, demand for durable solutions and portfolio approaches. The Morgan Stanley Alumni Network's Next-Gen Speaker Series features insights from top Morgan Stanley thought leaders on industry innovations and global issues. In 2025, the Japan Alumni Network hosted "Sustainability at an Inflection Point" to discuss a variety of topics ranging from systemic drivers shaping the global sustainability landscape to existing technologies that support the future of sustainability.
Nongovernmental Organizations (NGOs) and Civil Society	▪ Events and convenings ▪ One-on-one or small-group dialogues on sustainability topics, risks or emerging issues ▪ Direct involvement in industry initiatives and membership organizations (see Key Memberships and Affiliations)	During New York Climate Week in 2025, Morgan Stanley participated in a Sustainable Aviation Buyers Alliance (SABA) event, which provided the opportunity to exchange insights on topics such as corporate Sustainable Aviation Fuel certificate purchasing needs and SABA's role in driving progress. We also gathered leaders in the voluntary carbon market space to explore opportunities to scale high-integrity carbon markets in an event co-hosted with the Sustainable Markets Initiative.
Policymakers and Regulators	▪ Direct engagement ▪ Via Trade Associations	In the U.S., we engaged policymakers to discuss how clean-energy tax credits and related transferability mechanisms can scale renewable energy to help meet growing AI-driven power demand. In Europe, we engaged with policymakers via trade associations on a number of topics, including the EU's streamlining and simplification agenda amending corporate sustainability reporting and due diligence requirements. We also supported the U.K.'s Transition Finance Council by participating in the working group focused on scaling transition finance.

TRADE ASSOCIATIONS

Global policymakers continue to refine their approach to climate and sustainability regulation. We continue to support science-aligned and market-based policies, and we engage with policymakers and key trade associations to promote public policy objectives of importance to Morgan Stanley, including climate policy. A list of the principal U.S. trade associations of which Morgan Stanley is a member can be found on our website.

We believe our participation in trade associations helps further Morgan Stanley's work as a global financial services firm. Our participation, however, does not imply that we always align with a trade association's positions on all aspects of climate policy. We provide our independent view as a member and we seek alignment where feasible and appropriate.

The table below lists the key trade organizations with sustainability-focused working groups of which we are a member:

KEY MEMBERSHIPS AND AFFILIATIONS

- Business for Social Responsibility (BSR)
- Center for Climate and Energy Solutions (C2ES)
- Global Climate Finance Centre (GCFC)
- Global Impact Investing Network (GIIN)
- The IFRS Sustainability Alliance
- Impact Investing Institute (III)
- One Planet Summit—Asset Managers Initiative
- Partnership for Carbon Accounting Financials (PCAF)
- Principles for Responsible Investment (PRI)
- Sustainable Markets Initiative (SMI)
- Sustainable Aviation Buyers Alliance (SABA)

KEY TRADE ASSOCIATIONS	CLIMATE AND SUSTAINABLE FINANCE GROUP MEMBERSHIPS
Bank Policy Institute	Climate Working Group
American Bankers Association	Climate Task Force
Institute of International Finance	Sustainable Finance Policy Expert Group
Securities Industry and Financial Markets Association	Sustainable Finance Task Force
Association for Financial Markets in Europe	Sustainable Finance Steering Committee
Asia Securities Industry and Financial Markets Association	Sustainable Finance Committee
U.K. Finance	Sustainability Committee
Global Financial Markets Association	Sustainable Finance SteerCo

Employee Education and Engagement

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

Sustainability Knowledge Hub: Launched in 2021, the Sustainability Knowledge Hub helps employees make well-informed, sustainability-related business decisions in a rapidly shifting global landscape. In 2025, webinar topics included risks and opportunities for sustainability solutions in rare earth minerals, direct air capture market trends and technology, and the U.S. climate and energy policy landscape.

Sustainability Month: Each April, the firm organizes events focused on sustainability. In 2025, we hosted over 70 events and activities globally, including a panel discussion on physical risks and adaptation and a cooking demonstration on how to use locally sourced ingredients and minimize food waste.

Employee Sustainability Forum (ESF): Through a firmwide network with regional forums across the globe, employees have the opportunity to learn more about sustainable finance and how to incorporate sustainability in their daily lives. In 2025, we added the San Francisco Employee Sustainability Forum to the global ESF community.

Risk Management

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

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

For more information on risk management, including governance priorities, see our 2025 Form 10-K and our 2026 Proxy Statement. For more information on how we manage climate risk, see the Manage Climate Risk section of this report.



Addressing Environmental and Social Risk

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

Morgan Stanley regularly engages with external and internal stakeholders on environmental and social topics of importance to our clients and shareholders.

REVIEWING TRANSACTIONS

All prospective transactions are reviewed individually against risk-based standards, pursuant to applicable law and regulation. Transactions that pose potential significant environmental and social risks are reviewed by the relevant business units and the ESRM Group. Our due diligence processes may include a review of a company's policies and practices, operations, track record, and management of specific risks, a review of independent third party reports or engagement with those independent third parties, and engagement with the client, as appropriate.

Transactions that carry potentially significant risks may also be escalated to senior management.

HUMAN RIGHTS

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

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

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

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SASB Index

The Sustainability Accounting Standards Board (SASB) guidance for 1) Investment Banking and Brokerage, 2) Commercial Banking, and 3) Asset Management and Custody Activities helps inform the content, narrative and data included in this report. The following table highlights sections of the report and other public disclosures that include information related to SASB's metrics as of the year ending December 31, 2025.

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

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE[42]
Employee Diversity and Inclusion		
FN-IB-330a.1 **FN-AC-330a.1**	Percentage of 1) gender and 2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals and (d) all other employees	We disclose U.S. ethnicity representation; see the U.S. EEO-1 Data on our website. Additionally, we have internal policies focused on building an inclusive workforce that reflects our communities and our clients, and outline our efforts to support employees in the Our Workforce section.
Incorporation of Environmental, Social and Governance (ESG) Factors		
FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory and (3) securitization transactions incorporating integration of ESG factors, by industry	Morgan Stanley does not disclose ESG revenue metrics at this time.
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	We are committed to mobilizing $1 trillion toward sustainable solutions by 2030, which is inclusive of investments, loans and other products. Since 2018, we've mobilized $955 billion in capital toward our $1 trillion goal, including $734 billion in low-carbon and green solutions. See the Sustainable Finance section of this report for more information.
FN-IB-410a.3	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	Institutional Securities' sustainability activities are provided in the Sustainable Finance section, which covers our commitment to mobilizing $1 trillion toward sustainable solutions by 2030, which is inclusive of investments, loans and other products. Our approach to integrating climate considerations into lending decisions and credit evaluation is outlined in the Climate section. The ESRM review process can be found in the Addressing Environmental and Social Risk section.
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	FRM, in partnership with other areas of the firm, continues to focus on identifying and managing climate-related financial risks to limit their potential impact on Morgan Stanley. For more information, see the Manage Climate Risk section.
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability-themed investing, and (3) screening	**Wealth Management** Investing with Impact Client Assets by Asset Class: ▪ Equity: ~$59Bn ▪ Fixed Income: ~$19Bn ▪ Cash Equivalents: ~$12MM ▪ Other:[43] ~$25Bn ▪ **Total**: ~$103Bn* **Morgan Stanley Investment Management** ▪ Over $60Bn+ in AUM with Sustainability Features[44]* For more information, see the Wealth Management section and the Investment Management section.
FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment or wealth management processes and strategies	An overview of our Wealth Management processes is provided in the Wealth Management section. For more information, see our Investing with Impact brochure. Overview of Morgan Stanley Investment Management processes is provided in the Investment Management section. For more information, see our Sustainable Investing Policy.

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

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

[44] This AUM figure includes funds and mandates with at least one of the following sustainability features: 1. impact investing, 2. sustainability optimization, 3. social objectives, 4. low-carbon or net-zero commitments. Products managed by Parametric Portfolio Associates LLC and Parametric SAS (collectively, "Parametric") are excluded except where another MSIM entity is the appointed investment manager and has sub-delegated investment management to Parametric.

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

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE[42]
Incorporation of Environmental, Social and Governance (ESG) Factors		
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	A high-level overview of Morgan Stanley Investment Management's stewardship practices is provided in the Investment Management section. In addition, see Morgan Stanley Investment Management Equity Proxy Voting Policy and Procedures and Calvert Research and Management's Global Proxy Voting Guidelines. Morgan Stanley Wealth Management does not have its own proxy voting policy. When Morgan Stanley Wealth Management clients waive proxy voting authority, what happens with the client's vote depends on whether their investment is through a third-party managed program or not. When a client waives proxy voting authority through a third-party program, the vote will be sent to the third-party money manager. When a client waives proxy voting authority through a Morgan Stanley-managed program, the vote will be sent to ISS, where they will vote on the client's behalf guided by ISS's benchmark policy. If a Morgan Stanley Wealth Management client opts to retain their voting rights, the client votes themselves (or hires a proxy voting service provider themselves to vote on their behalf).
Business Ethics		
FN-IB-510a.1 **FN-CB-510a.1** **FN-AC-510a.1**	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations	Material legal proceedings for the firm are disclosed starting on page 125 of our 2025 Form 10-K.
FN-IB-510a.2 **FN-CB-510a.2** **FN-AC-510a.2**	Description of whistleblower policies and procedures	The 'Raising Legal, Regulatory and Ethical Concerns and Reporting Misconduct' section of our Code of Conduct defines the firm's policies and procedures..
Professional Integrity		
FN-IB-510b.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings	Morgan Stanley does not disclose this metric at this time.
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	While Morgan Stanley does not disclose this metric at this time, refer to our 2025 Form 10-K, starting on page 125, regarding material legal proceedings.
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Morgan Stanley does not disclose this metric at this time. The firm's legal expenses are disclosed on page 126 of our 2025 Form 10-K.
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	Our Code of Conduct and Code of Ethics and Business Conduct describe our ethical business practices, guiding the day-to-day behavior of our employees worldwide. We require every employee to certify their adherence to, and understanding of, the Code of Conduct when joining the firm, and on an annual basis thereafter.
Systemic Risk Management		
FN-IB-550a.1 **FN-CB-550a.1**	Global Systemically Important Bank (G-SIB) score, by category	See page 52 of our 2025 Form 10-K.
FN-IB-550a.2 **FN-CB-550a.2**	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	See page 55 as well as additional references to stress testing within our 2025 Form 10-K. Separately, with respect to climate risk, Morgan Stanley is conducting scenario analyses in the two major categories identified by TCFD: transition risk and physical risk. For more information, see the Manage Climate Risk section.

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE[42]
Employee Incentives and Risk-Taking		
FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	"Covered employees" are employees who, individually or as part of a group, have roles or responsibilities that may subject the firm to significant risks. In 2025, an average of 72% of total compensation delivered to covered employees was variable, of which an average of 42% was deferred; all deferred compensation is subject to cancellation or clawback provisions. In addition, employees may be subject to disciplinary action, including reduction of cash bonuses or termination of employment, for violation of firm policies.
FN-IB-550b.2	Percentage of variable remuneration of MRTs to which malus or clawback provisions were applied	See above. For more information about Compensation Governance and Risk Management, see our 2026 Proxy Statement, starting on page 48.
FN-IB-550b.3	Discussion of policies around supervision, control and validation of traders' pricing of Level 3 assets and liabilities	While Morgan Stanley does not disclose this information at this time, refer to our 2025 Form 10-K, starting on page 97, regarding valuation techniques for fair value assets and liabilities.
Data Security		
FN-CB-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	For security and privacy reasons, Morgan Stanley does not disclose this metric. For more information on how Morgan Stanley informs clients and employees about how and why it collects personal information, see our Privacy Pledge.
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	An overview of our activities regarding data security risk is provided in the 'Operational Risk—Cybersecurity' section in our 2025 Form 10-K, starting on page 74.
Financial Inclusion & Capacity Building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	While Morgan Stanley does not disclose the number and amount of loans outstanding that qualify for programs designed to promote small business and community development, we made over $2.7 billion* in Community Reinvestment Act (CRA) qualified community development loans and investments in 2025. For additional information, see the Supporting Community Development Finance section. For more information about our Bank CRA Exams, refer to resources located on the OCC government website.
FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programs designed to promote small business and community development	Morgan Stanley does not disclose this metric at this time.
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	This metric is not applicable due to Morgan Stanley's business model.
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	This metric is not applicable due to Morgan Stanley's business model.

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

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE[42]
Transparent Information & Fair Advice for Customers		
FN-AC-270a.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings	Morgan Stanley does not disclose this metric at this time.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Material legal proceedings for the firm are disclosed in our 2025 Form 10-K, starting on page 125.
FN-AC-270a.3	Description of approach to informing customers about products and services	Each business unit is responsible for setting and managing appropriate policies and processes related to their marketing activities, which are subject to supervisory review in accordance with applicable promotion laws and regulatory obligations. We aim to manage risks in marketing and sales pursuant to the following guidelines: ▪ Communications to clients and the public must be fair and balanced, without exaggerated or misleading statements. ▪ Employees must use approved marketing materials and firm-approved messaging systems when conducting firm business. ▪ Financial Advisors must follow a compliance manual of internal sales practice standards, as well as adhere to all applicable laws and regulations. ▪ The firm monitors customer complaints. These are dealt with in accordance with relevant internal policies. Also refer to our Code of Conduct.
Financed Emissions		
FN-CB-410b.1 **FN-AC-410b.1**	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	We disclose absolute gross financed emissions related to relationship and event-driven loans for six sectors within our corporate lending portfolio: the Aviation sector, Chemicals sector, Mining sector, Energy sector, Power sector and Auto Manufacturing sector. Separately, we disclose a physical intensity metric for these six sectors (Aviation, Chemicals, Mining, Energy—End Use, Energy—Operational, Power and Auto Manufacturing), as that guides our 2030 interim targets. See the Financed Emissions section of this report for more details.
FN-CB-410b.2	Gross exposure for each industry by asset class	Morgan Stanley does not disclose this metric at this time.
FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	Morgan Stanley does not disclose this metric at this time.
FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation	Morgan Stanley does not disclose this metric at this time.
FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	Morgan Stanley does not disclose this metric at this time.
FN-CB-410b.4 **FN-AC-410b.4**	Description of the methodology used to calculate financed emissions	See the Financed Emissions section and the Financed Emissions Methodology section in the Appendix.

SASB CODE	SASB METRIC	MORGAN STANLEY RESPONSE[42]
Activity Metrics		
FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory and (c) securitization transactions	Per LSEG Data & Risk Analytics (formerly known as Refinitiv), our transaction volumes for 2025 were: ($ in billions) ▪ Completed mergers and acquisitions: $756 ▪ Equity and equity-related offerings: $79 ▪ Fixed income offerings: $414 For more information, see page 34 of our 2025 Form 10-K.
FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	While Morgan Stanley does not disclose our proprietary investments, see page 66 of our 2025 Form 10-K, where we disclose Total Loans and Lending Commitments and page 68 for disclosure of Institutional Securities Loans and Lending Commitments by Industry. Refer to page 104 of our 2025 Form 10-K for disclosure of our investments in Fund Interests associated with our Investment Management business segment.
FN-IB-000.C	(1) Number and (2) value of market-making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives and (e) commodity products	Morgan Stanley does not disclose this metric at this time.
FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	This metric is not applicable due to Morgan Stanley's business model.
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business and (c) corporate	Small-business loans that incorporate sustainability factors are discussed in the Supporting Community Development Finance section. Our Investment Banking activity, which includes corporate lending, is discussed in the Investment Banking and Global Capital Markets section. We disclose loan portfolios by type; for more information, see our 2025 Form 10-K, starting on page 115.
FN-AC-000.A	Total assets under management (AUM)	Fee-based client assets under Wealth Management and Morgan Stanley Investment Management AUM are provided on pages 36 and 39, respectively, of our 2025 Form 10-K.
FN-AC-000.B	Total assets under custody and supervision	Total Client Assets, representing Wealth Management client assets and Morgan Stanley Investment Management AUM are provided on page 29 in our 2025 Form 10-K.

TCFD Index

The Task Force on Climate-Related Financial Disclosures (TCFD) was established by the Financial Stability Board following a mandate from the Group of Twenty (G20) and is now a part of the ISSB Standards issued by the IFRS Foundation.[45] TCFD recommends that companies organize disclosures into four categories: Governance, Strategy, Risk Management, and Metrics and Targets. The following index highlights where content related to the TCFD Framework can be found in this year's report. Morgan Stanley is a member of the IFRS Sustainability Alliance. We aim to provide investors with useful, relevant and meaningful sustainability information within the context of our businesses, and may evolve our disclosure on these topics over time.

TCFD THEMATIC AREAS	TCFD RECOMMENDATIONS	MORGAN STANLEY REPORT LOCATION
Governance	Describe the board's oversight of climate-related risks and opportunities.	Location in this report ▪ Sustainability Oversight (page 37) ▪ Climate Risk Governance (page 29) Additional resources: ▪ Morgan Stanley Corporate Governance, Board Committees and Charters ▪ 2026 Proxy Statement (pages 8, 28, 31-34, 42 and 44-47) ▪ 2025 Form 10-K (page 77)
	Describe management's role in assessing and managing climate-related risks and opportunities.	Location in this report ▪ Mobilizing Capital for Sustainable Solutions (page 9) ▪ Manage Climate Risk (pages 28) - Climate Risk Framework (page 28) - Climate Risk Governance (page 29) ▪ Sustainability Oversight (page 37) Additional resources: ▪ Morgan Stanley Corporate Governance, Board Committees and Charters ▪ 2026 Proxy Statement (pages 31-34)
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Location in this report: ▪ Manage Climate Risk (pages 28-29) - Time Horizons for Scenario Analysis (page 29) ▪ Sustainable Finance (pages 8-16) Additional resources: ▪ 2025 Form 10-K (page 24)
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Location in this report: ▪ Climate (pages 19-29)
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a two-degree-or-lower scenario.	Location in this report: ▪ Climate (page 19) ▪ Strive Toward Our Financed Emissions Targets (page 20)

(continued on next page)

[45] https://www.ifrs.org/sustainability/tcfd/

TCFD THEMATIC AREAS	TCFD RECOMMENDATIONS	MORGAN STANLEY REPORT LOCATION
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Location in this report: ▪ Manage Climate Risk (pages 28-29) Additional resources: ▪ 2025 Form 10-K (pages 58-61, 77)
	Describe the organization's processes for managing climate-related risks.	Location in this report: ▪ Manage Climate Risk (pages 28-29) Additional resources: ▪ 2025 Form 10-K (pages 58-61, 77)
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Location in this report: ▪ Manage Climate Risk (pages 28-29) Additional resources: ▪ 2025 Form 10-K (pages 58-61, 77)
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Location in this report: ▪ Climate (pages 19-29) ▪ Financed Emissions (pages 22-24) ▪ Sustainable Finance (pages 8-16)
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Location in this report: ▪ Strive Toward Our Financed Emissions Targets (page 20) - Physical Intensity (page 22) - Absolute Financed Emissions (page 23) ▪ Embed Sustainability in Our Operations (page 25) - Operational Emissions (page 27)
	Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against targets.	Location in this report: ▪ Climate (pages 19-29) - Strive Toward Our Financed Emissions Targets (pages 20-24) - Embed Sustainability in Our Operations (page 25) Additional resources: ▪ Morgan Stanley's 2030 Interim Financed Emissions Targets

GFANZ Index

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

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

GFANZ FRAMEWORK	GFANZ FRAMEWORK GUIDANCE	MORGAN STANLEY REPORT LOCATION, IF RELEVANT
Foundations	**Objectives and priorities:** ▪ Define the organization's objectives to reach net-zero by 2050 or sooner in line with science-based pathways to limit warming to 1.5 degrees C. ▪ State clearly defined and measurable interim and long-term targets and strategic timelines. ▪ Identify the priority financing strategies of net-zero transition action to enable real-economy emissions reduction.	Location in this report: ▪ Climate (page 19) ▪ Sustainable Finance (page 8) Additional resources: ▪ Morgan Stanley's 2030 Interim Financed Emissions Targets
Implementation Strategy	**Products and services:** ▪ Use existing and new products and services to support and increase clients' and portfolio companies' efforts to transition in line with 1.5 degrees C net-zero pathways. ▪ Include accelerating and scaling the net-zero transition in the real economy, providing transition-related education and advice. ▪ Support portfolio decarbonization in accordance with the institution's net-zero transition strategy.	Location in this report: ▪ Sustainable Finance (page 8) ▪ Mobilize Capital for Low-Carbon and Green Solutions (page 20) ▪ Strive Toward Our Financed Emissions Targets (page 20) ▪ Climate Strategy Assessment Framework (CSAF) (page 21)
	Activities and decision-making: ▪ Embed the financial institution's net-zero objectives and priorities in its core evaluation and decision-making tools and processes to support its net-zero commitment. ▪ This applies to both top-down/oversight structures and bottom-up tools and actions..	Location in this report: ▪ Strive Toward Our Financed Emissions Targets (page 20) ▪ Climate Strategy Assessment Framework (CSAF) (page 21) ▪ Sustainability Oversight (page 37)
	Policies and conditions: ▪ Establish and apply policies and conditions on priority sectors and activities, such as thermal coal, oil and gas, and deforestation. ▪ Include other sectors and activities that are high-emitting, or otherwise harmful to the climate, to define business boundaries in line with the institution's net-zero objectives.	Location in this report: ▪ Addressing Environmental and Social Risk (page 41)

(continued on next page)

GFANZ FRAMEWORK	GFANZ FRAMEWORK GUIDANCE	MORGAN STANLEY REPORT LOCATION, IF RELEVANT
Engagement Strategy	**Clients and portfolio companies:** ▪ Proactively and constructively provide feedback and support to clients and portfolio companies to encourage net-zero-aligned transition strategies, plans and progress with an escalation framework with consequences when engagement is ineffective.	Location in this report: ▪ Climate (page 19) ▪ Strive Toward Our Financed Emissions Targets (page 20) ▪ Climate Strategy Assessment Framework (CSAF) (page 21)
	Industry: Proactively engage with peers in the industry to: ▪ As appropriate, exchange transition expertise and collectively work on common challenges, and ▪ Represent the financial sector's views cohesively to external stakeholders, such as clients and governments.	Location in this report: ▪ Trade Associations (page 40) ▪ Key Memberships and Affiliations (page 40)
	Government and public sector: ▪ Direct and indirect lobbying and public-sector engagement should, in a consistent manner, support an orderly transition to net zero, and ▪ As appropriate, encourage consistency of clients' and portfolio companies' lobbying and advocacy efforts with the institution's own net-zero objectives.	Location in this report: ▪ Trade Associations (page 40) ▪ Key Memberships and Affiliations (page 40)
Metrics and Targets	**Metrics and targets:** ▪ Establish a suite of metrics and targets to drive execution of the net-zero transition plan and monitor progress of results in the near, medium and long term. **Include metrics and targets focused on:** ▪ Aligning financial activity in support of the real-economy net-zero transition ▪ Executing the transition plan, and ▪ Measuring changes in client and portfolio GHG emissions.	Location in this report: ▪ Climate (page 19) ▪ Sustainable Finance (page 8) Additional resources: ▪ Morgan Stanley's 2030 Interim Financed Emissions Targets
Governance	**Roles, responsibilities and remuneration:** ▪ Define roles for the board or strategy oversight body and senior management, ensuring they have ownership, oversight and responsibility for the net-zero targets. ▪ Assign appropriate individuals and teams to all aspects of both design and delivery of the transition plan. Use remuneration incentives for all roles, where possible. ▪ Review the transition plan regularly to ensure material updates/developments are incorporated, challenges are reviewed as an opportunity to correct course, and implementation risks are properly managed.	Location in this report: ▪ Sustainability Oversight (page 37)
	Skills and culture: ▪ Provide training and development support to the teams and individuals designing, implementing and overseeing the plan so they have sufficient skills and knowledge to perform their roles (including at the board and senior management levels). ▪ Implement a change management program and foster open communication to embed the net-zero transition plan into the organization's culture and practices.	Location in this report: ▪ Employee Education and Engagement (page 40)

Financed Emissions Methodology

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

Calculation Formulas

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

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

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

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

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

Refer to Morgan Stanley's 2030 Interim Financed Emissions Targets Report for additional information on the physical intensity metric target design.

Consolidation Approach

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

Calculation Approach

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

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

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

Greenhouse Gases

Morgan Stanley receives carbon emissions values for our clients from a third-party data vendor. The data vendor aggregates all constituent gases that are reported by companies, which could include: CO_2 (Carbon Dioxide), CH_4 (Methane), N_2O (Nitrous Oxide), HFCs (Hydrofluorocarbons), PFCs (Perfluorocarbons), SF_6 or NF_3. In instances where carbon emissions data is not provided by the companies or the data vendor, carbon emissions are estimated using a revenue-based industry-specific carbon-intensity proxy.

This proxy is derived by the data vendor on CO_2-equivalent emissions through application of the global warming potentials (GWPs) from the IPCC Fourth Assessment Report (AR4) to the non-carbon greenhouse gases. We thus report our AFE and physical intensity metrics on a CO_2-equivalent basis. Biogenic emissions are not applicable to our financed emissions calculations at this time.

Revision Policy

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

Data Limitations

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

PCAF Data Quality Scores

Calculation of the data quality scores includes use of third-party data inputs, and sometimes requires estimates and assumptions based on the availability of data. These scores indicate the quality of the source of the emissions data underlying our calculations, on a scale from 1 to 5, with 1 being the highest quality. For example, company reported emissions are scored as higher data quality as they are specific and may be third-party verified, whereas economic activity-based emission factors, which are used to estimate company emissions, are considered lower data quality. PCAF guidance recommends calculating a data quality score for Scope 1 and 2 separate from a score for Scope 3. For more information on the PCAF Data Quality scale, see the PCAF methodology document.

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

Operational Emissions Methodology

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

Morgan Stanley maintains the 2023 base year for its GHG inventory, the earliest inventory not overtly impacted by pandemic era changes and which is inclusive of emissions due to Eaton Vance and E*TRADE acquisitions. Morgan Stanley assesses its base year periodically, at least annually, to determine if an update is required. The base-year inventory will be recalculated in response to any structural or methodology changes that are more than 5% of the Operational Emissions' total base-year emissions reported.

In 2025, Morgan Stanley adopted a third-party carbon accounting software platform to calculate the firm's operational greenhouse gas emissions. The adoption of this platform introduced minor methodology changes, but fundamentally our approach to GHG accounting remains consistent. To test the impact and assess need for recalculation, these methodology changes were applied to previously reported 2023 and 2024 activity data. The exercise revealed that the adoption of the new software did not result in a material change to firmwide emissions, with results falling within the firm-defined significance threshold of 5%, aligned to guidance from the GHG Protocol. Accordingly, prior-period emissions remain unchanged, and the new platform was leveraged to calculate 2025 emissions.

On an annual basis, Morgan Stanley calculates the firm's GHG emissions inventory: CO_2 (Carbon Dioxide), CH_4 (Methane), N_2O (Nitrous Oxide), HFCs (Hydrofluorocarbons). The firm currently has no emissions from PFCs (Perfluorocarbons), SF_6 or NF_3. Biogenic emissions are not applicable to our business. The 2025 emissions of non-CO_2 greenhouse gases are calculated as CO_2-equivalent emissions by applying the global warming potential (GWP) from the IPCC Sixth Assessment Report (AR6).

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

Where available, Morgan Stanley gathers actual emission source activity data, such as utility invoice data or local meter readings. For office facilities where activity data is not available, Morgan Stanley estimates emissions by adopting the method of energy use intensity factors developed by Lawrence Berkeley National Laboratory.

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

Scope 2 market-based emissions are calculated including the impact from GHGP-compliant renewable instruments provided by our U.S. Virtual Power Purchase Agreement (VPPA), international facility-aligned green power contracts and global unbundled renewable power purchases.

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

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

IMPORTANT NOTICES

FORWARD-LOOKING STATEMENTS

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

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

MATERIALITY

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

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

USE OF THIRD-PARTY INFORMATION AND ESTIMATES

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

Given the inherent uncertainty of the estimates, assumptions and timelines contained in this report, we may not be able to anticipate whether or the degree to which we will be able to meet our targets, goals, aspirations, objectives, initiatives, plans or approaches in advance. Morgan Stanley also cannot guarantee that the data provided in its reports will be consistent year over year, as data quality, particularly climate-related data, improves. This data should not be interpreted as any form of guarantee or assurance of accuracy, future results or trends, and Morgan Stanley makes no representation or warranty as to third-party information.

OTHER DISCLOSURES

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

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

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

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

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

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