California Voluntary Carbon Market Disclosure

Information as of January 1, 2024

This information has been prepared and is provided for the sole purpose of disclosure under Section 44475 of Division 26 of the California Health and Safety Code ("**A.B. 1305**") and is not intended, nor can it be relied on, to create legal relations, rights, or obligations. By posting information on its website, Morgan Stanley, including its subsidiaries and affiliates (collectively, "**Morgan Stanley**" or "**we**"), is not conceding that any specific item is required to be disclosed nor waiving any arguments about the interpretation of A.B. 1305. This information is subject to change without notice.

Section 44475 Information

As part of a diversified global financial institution, Morgan Stanley, through Morgan Stanley Capital Group Inc. and certain affiliates, makes markets in various commodity products, including voluntary carbon credits or voluntary carbon offsets (collectively, "**VCOs**"). In this capacity, Morgan Stanley purchases VCOs from project developers, corporations, other market makers, and other counterparties seeking to sell such VCOs, and sells such VCOs to buyers. Morgan Stanley also responds to interest from potential buyers seeking to purchase VCOs. Morgan Stanley markets and sells VCOs that are available for resale to counterparties throughout the United States, including California, as well as throughout the world. The VCOs that Morgan Stanley markets and sells are listed on the following publicly available websites of nationally- and internationally-recognized registries:

VERRA: https://registry.verra.org/app/search/VCS
Gold Standard: https://registry.goldstandard.org/projects?q=&page=1
Climate Action Reserve: https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=111
American Carbon Registry: https://acr2.apx.com/myModule/rpt/myrpt.asp?r=111

Any VCO marketed or sold by Morgan Stanley is developed according to the particular certification standards, estimation and monitoring protocols, documentation requirements, and third-party verification requirements of the registry on which it is listed. Each of these registries, prior to listing a particular VCO, subjects the projects underlying such VCO to initial due diligence and periodic re-evaluation to determine whether such projects meet, and continue to satisfy, the particular registry's certification standards.

The registries make information regarding the VCOs and the associated projects publicly available for review by any person, including Morgan Stanley and its counterparties, at no cost on the websites through search features that list these details or provide access to documents that have been submitted by the relevant projects. Information available on these websites typically includes the following:

- the project identification number;
- the project name;
- the specific protocol used to estimate emissions reductions/removal benefits;
- the location of the offset project site;
- the project timeline;
- the date when the project started or will start;
- the dates and quantities when a specified quantity of emissions reductions or removals started or will start, or was modified or reversed;
- the type of project, including whether the offsets from the project are derived from a carbon removal, an avoided emission, or, in the case of a project with both carbon removals and avoided emissions, the breakdown of offsets from each;
- whether the project meets the standards of the registry, and potentially any standards established by law or by another nonprofit entity;
- the durability period for any project, if available;

- whether there is independent expert or third party validation or verification of the project attributes; and
- emissions reduced or carbon removed on an annual basis.

The standards of the registries contain various accountability measures, such as the ones described above. In many cases, among the details regarding an associated carbon offset project available on the registry websites are whether a VCO is part of a “buffer pool” or “buffer reserve”. Generally, a portion of VCOs generated by a project is set aside and placed in a “buffer pool” or “buffer reserve” instead of being sold. Such credits can be canceled from the pool if a carbon storage project is reversed or if future emissions reductions do not materialize such as in the case of a nature-based carbon credit project involving the preservation of forestry land that is subsequently destroyed by fire. The availability of buffer pools or buffer reserves may be viewed as an additional accountability measure if a project is not completed or does not meet the projected carbon abatements, such as in the case of forestry and other projects with heightened risks of reversals. Morgan Stanley makes no separate undertaking, action or contractual obligation if, with respect to a VCO it has marketed or sold, the associated project is reversed or if future emissions reductions do not materialize.

Morgan Stanley relies on the registries with respect to the above referenced information made public on their websites regarding the associated carbon offset projects, including without limitation the durability period of any project. Morgan Stanley does not represent to the market or to the potential or actual buyer that it has any additional information with respect to a particular VCO beyond that which is publicly available on the applicable registry.

From time to time, Morgan Stanley also may market VCOs that have yet to be issued or registered or are in the process of being issued or registered on these same registries. In all such cases, however, any sales contemplated by such marketing efforts are fully contingent on the VCOs achieving the requisite certification for issuance and listing on a relevant registry.

Section 44475.1 Information

Morgan Stanley purchases and uses VCOs as part of its efforts to achieve its commitment to carbon neutral operations, discussed in the next section. Relevant information about the projects used by us for this purpose in 2022 can be found on the Verra Registry (for further details, see Verra Projects VCS2402, VCS959, and VCS2498).

Section 44475.2 Information

Carbon Neutrality. Morgan Stanley committed to achieve carbon neutrality in its operations annually, beginning in 2022. Information on our carbon neutral operations commitment and approach to measuring progress is available in Morgan Stanley’s 2022 ESG Report, at page 45. Our 2022 emissions data is disclosed on page 60 of the 2022 ESG Report.

Morgan Stanley’s carbon neutral operations commitment is not independently verified by a third party. However, we have received limited third-party assurance that the Scope 1, Scope 2, Scope 3, Category 6 (Business travel) and Scope 3, Category 13 (Downstream leased assets) Greenhouse Gas Emissions metrics presented within the 2022 ESG Report as of and for the year ended December 31, 2022 are presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development. Please see pages 111-113 of the 2022 ESG Report for additional information.

Net Zero Financed Emissions. Morgan Stanley committed to achieve net zero financed emissions by 2050 and set 2030 interim financed emissions targets applicable to lending to three high-emitting sectors. Information on these targets and Morgan Stanley’s approach to measuring interim progress toward them is available on pages 41-42 and 52-59 of the 2022 ESG Report and in a supplemental report, Methodology for 2030 Interim Targets.

Calvert Research and Management ("**Calvert**") is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley. Calvert, consistent with its fiduciary duties to clients and beneficiaries, has committed to work toward an ambition of net zero emissions across its assets under management by 2050 and set an interim target to reduce its portfolio Scope 1 & 2 emissions by 50% across targeted assets by 2030. The methodology and scope of Calvert's commitment to Net Zero can be found at Calvert Research and Management – The Net Zero Asset Managers initiative. Calvert's approach to measuring interim progress can also be found at Progress Report: Calvert Research and Management (pages 29-30).

Certain investment funds managed by Morgan Stanley Investment Management and its affiliates may include carbon dioxide or greenhouse gas emission reduction targets as part of their investment strategy. Where applicable, information regarding how such targets are determined to be accomplished, how interim progress is measured, and whether there is independent third-party verification is disclosed in the respective fund's offering documents and/or periodic reports available on the fund's website.

As of January 1, 2024, data on Morgan Stanley's and Calvert's financed emissions is not subject to independent third-party verification.

DISCLOSURES

Forward-Looking Statements

Certain statements herein, including expectations related to targets, goals or objectives such as financed emissions targets, representation objectives and the achievement thereof, may be “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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 document 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, global socio-demographic and economic trends; energy prices; technological innovations; climate-related conditions and weather events; counterparty and client behavior and financial health; insurance applicability, legislative and regulatory changes; our ability to retain and attract qualified employees in a competitive environment for talent; and other unforeseen events or conditions, and the precautionary statements included in this document and those contained in Morgan Stanley’s periodic filings with the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934 (Exchange Act).

Certain forward-looking statements referenced in this document 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 document.

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. In addition, information within this document 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 materiality as the concept is used in Morgan Stanley’s periodic filings with the SEC under the Exchange Act.

Use of Third-Party Information

No third-party reports, documents or websites that are cited or referred to in this document shall be deemed to form part of this document. In addition, certain information contained in this document 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. 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. Certain third-party information, such as scope 3 emissions and emissions factors, may change over time as methodologies evolve and are refined or current data changes or is restated or new data is added. 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.

Other Disclosures

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

Individual funds and client accounts may have specific environmental, social and governance (ESG)-related goals and restrictions that affect ESG integration. Please refer to governing documents of individual vehicles to understand their binding ESG criteria.

ESG Strategies that incorporate impact investing and/or ESG 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 ESG strategies could result in more favorable investment performance.

Calvert is part of Morgan Stanley Investment Management. Morgan Stanley Investment Management is the asset management division of Morgan Stanley.