

## Environmental and Social Policy Statement

Updated: 2020

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### 1. Introduction

Morgan Stanley recognizes that global sustainability challenges, including human rights, resource scarcity and climate change, can result in significant impacts if left unaddressed. In light of these challenges, sustainable global development is of critical importance. By considering environmental, social and governance (ESG) factors in our business activities, we help mobilize capital to deliver sustainable growth and long-term value for our clients and for society.

Given our position as one of the world's leading financial services firms, we have a responsibility to manage and leverage our resources in a way that helps build a sustainable future. We mobilize capital to scale sustainability solutions, drive private capital into sustainable investments, and address environmental and social risks across the firm.

We believe that our approach to environmental and social issues helps us pursue our principal focus of creating long-term value for our shareholders and serving the long-term interests of our clients. We see sustainability leadership as both a business opportunity and core to our firm values of Leading With Exceptional Ideas and Doing the Right Thing. To that end, we have dedicated substantial resources to this work. We have committed to marshal \$250 billion in low-carbon financing by 2030, and to become carbon neutral by 2022, with an aim to source 100 percent of our global operational energy needs from renewable energy and to offset any remaining emissions.

We are also members of and active participants in leading sustainable business initiatives and non-governmental organizations, including:

- Business for Social Responsibility (BSR)
- CDP (formerly the Carbon Disclosure Project)
- Ceres Investor Network on Climate Risk and Sustainability
- Climate Bonds Initiative (CBI)
- Green Bond Principles
- Principles for Responsible Investment (PRI)
- Sustainability Accounting Standards Board (SASB) Foundation

This Environmental and Social Policy Statement (“Policy Statement”) reflects Morgan Stanley’s ongoing global commitment to communities and the environment, and highlights how our business decisions and policies address sustainability opportunities and challenges. We are committed to considering environmental and social issues in all aspects of our business, including how we evaluate transactions and how we conduct our own operations. This Policy Statement is the product of extensive dialogue with internal and external stakeholders and is an evolving document that we review annually and update to reflect our strategy and any key developments.

## 2. Sustainable Finance and Investing

Global sustainability challenges, such as climate change, pose risks to our business as well as tremendous opportunities to be part of the solution alongside policy makers, regulators and the private sector. Morgan Stanley’s Global Sustainable Finance (GSF) Group is responsible for implementing our sustainability strategy, promoting global sustainability in the capital markets, and helping drive ESG integration across the firm. Our Institutional Securities, Wealth Management and Investment Management business segments partner with the GSF Group to offer scalable financial solutions and advisory services that seek to deliver competitive financial returns while driving positive environmental and social impact. In doing so, we leverage our resources to scale both the demand for, and supply of, sustainable investing products in the markets in which we operate.

Our commitment to sustainable finance is reflected in our approach to markets and investments, including the following:

### **Institutional Securities**

Institutional Securities uses the scale and speed of capital markets to generate positive environmental and social benefits for innovative companies using a range of levers, including mergers and acquisitions, equity financing and debt underwriting. In particular, we are delivering finance to drive a global shift to a low-carbon economy by raising capital for clean technology companies as well as those that reduce or improve natural resource consumption. We are a leader in green bond issuances and Morgan Stanley Public Finance continues to be a leading underwriter of U.S. municipal bonds, including green and sustainability bonds. In 2018, we announced a commitment to mobilize \$250 billion in low-carbon financing by 2030. Contributing to this commitment are our activities in clean-tech and renewable energy financing, including commodities transactions, sustainable bonds and other transactions that enable low-carbon solutions.

Additionally, Morgan Stanley Research aims to incorporate ESG factors into its analysis as part of its fundamental investment research. Our research analysts integrate environmental and social considerations into their core company coverage by exploring the financial and market impact of these issues. In addition, our Sustainability Research team publishes research reports to advance ESG integration and thematic investing.

### *Wealth Management*

Wealth Management connects clients with opportunities to integrate their personal or organizational priorities and values into their investment portfolios. The Morgan Stanley Investing with Impact Platform (IIP) provides access to a range of investment opportunities that aim to generate market rate financial

returns alongside positive environmental and social impact, advancing broad sustainability solutions. With over \$25 billion in AUM, the IIP includes more than 120 third-party, separately managed accounts, mutual funds, exchange-traded funds, alternatives and accounts with custom mandates that meet specific sustainability criteria and/or are dedicated to sustainable and impact investing.

## *Investment Management*

Investment Management recognizes that ESG factors can affect the long-term performance of investments. As such, we have adopted [ESG Principles](#), which our portfolio managers consider when making and monitoring investments.

### **3. Environmental and Social Risk Management**

Environmental and social risk management is a priority for Morgan Stanley. Our due diligence and risk management processes are designed to identify, analyze and address potentially significant environmental and social issues that may confront the firm or our clients. The Environmental and Social Risk Management (ESRM) Group provides internal subject matter expertise on environmental and social risk, acting as an advisor to the businesses, conducting diligence on relevant transactions, and monitoring for emerging risks.

#### **Process and Scope**

Businesses escalate transactions to the ESRM Group for due diligence where there is potentially significant environmental and social risk. Our ESRM due diligence processes and sector and cross-sector approaches discussed in this Policy Statement are applied globally to the following types of transactions: lending (corporate and project), debt and equity underwriting, private placements, private equity investing, investment banking and capital markets advisory assignments, and other transactions or activities as applicable and appropriate. In transactions involving a joint venture between Morgan Stanley and others, we will aim to apply this Policy Statement.

#### *Due Diligence*

We analyze environmental and social risks through our due diligence processes that incorporate international frameworks, such as the International Finance Corporation's (IFC) Performance Standards. These comprehensive standards address topics including pollution prevention, indigenous peoples, and health and safety. For project financing, our due diligence incorporates the Equator Principles. We seek to assess a company's<sup>1</sup> environmental and social policies, practices, governance and performance, and we work to confirm that appropriate controls are in place to mitigate potential risks. We expect companies to comply with all relevant local and national laws, including laws that implement international agreements.

In analyzing environmental and social risks, we leverage publicly available information as well as discussions with the company and stakeholders. We consult specialist advisors as appropriate. If we identify a particular issue, we will conduct enhanced due diligence to understand further how it is being addressed and how the risks are being mitigated. We also apply enhanced due diligence to transactions

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<sup>1</sup> For purposes of this Policy Statement, we use the term 'companies' to refer to clients, companies in which we invest, and other relevant counterparties. This may include public entities or other noncorporate entities.

identified as high risk, including those discussed in the Sector Approaches and Cross-Sector Approaches sections below. For high risk sectors and issues, we have guidance that outlines the risks to be evaluated and the controls to be assessed.

## *Escalation*

Business unit transaction checklists help confirm that environmental and social risks have been vetted, as applicable, and appropriate approvals secured, including where a significant environmental or social issue is identified by the ESRM Group. Transactions discussed in the Sector Approaches and Cross Sector Approaches sections may require the approval of senior management. Our Regional and Global Franchise Committees are responsible for overseeing franchise risk to the firm, including reputational risks associated with environmental and social issues. Transactions that meet designated criteria may require approval by our Regional or Global Franchise Committees in addition to senior management.

## *Engagement*

When we identify a potential environmental or social issue, we seek to appropriately engage with a company to address the risk. We also work with companies to mobilize financing to increase the proportion of their low-carbon energy sources and support the incorporation of environmental and social best practices. Through these efforts, we believe we are able to better serve clients, shareholders and other stakeholders.

## **Sector Approaches**

We have tailored approaches to certain sectors and activities. We seek to partner with companies across these sectors that are adopting sustainability practices to mitigate environmental and social risks and impacts. Our sector-specific approaches include the following:

### *Coal-Fired Power Generation*

We will decline financing transactions globally that directly support the development of new or physical expansions of coal-fired power generation, unless there is carbon capture and storage or equivalent carbon emissions reduction technology.

We will conduct enhanced due diligence on other transactions involving coal-fired power generation. Considerations include technology and emissions controls used, impacts on biodiversity and community, and the company's framework for and track record in managing greenhouse gas and other emissions, waste and wastewater, health and safety, human rights and compliance with regulations and international standards.

We will engage with companies that derive a significant portion of their revenue from coal power generation to understand their strategy to diversify away from coal and reduce their carbon emissions.

### *Thermal Coal Mining*

We have reduced and will continue to reduce our exposure to thermal coal mining globally.

- *Mountaintop removal mining* - We will not provide financing where the specified use of proceeds would be directed towards mountaintop removal (MTR) mining. We will not provide financing for

companies that rely on MTR for anything more than a limited portion of their annual coal production, nor will we provide financing for any company that does not have a plan to eliminate existing MTR operations in the foreseeable future.

- *New thermal coal mining* - We will not provide financing where the specified use of proceeds would be directed towards new thermal coal mine development.

Other financing transactions for thermal coal mining companies will require escalation and senior management approval, and we will be prudent in the transactions we undertake. For these transactions, we will conduct enhanced due diligence. Considerations include impacts on biodiversity, fresh water resources and local communities and the company's framework for and track record in managing emissions, waste and wastewater, health and safety, human rights and compliance with regulations and international standards.

We will engage with companies that derive a significant portion of their revenue from thermal coal mining operations in order for us to understand their plans to diversify away from thermal coal mining. We will phase out our financing of those thermal coal mining companies that do not have a diversification strategy within a reasonable timeframe.

### *Arctic Oil and Gas*

Transactions in the Arctic region will require escalation and senior management approval, and we will be prudent in the transactions we undertake.

We will not directly finance new oil and gas exploration and development in the Arctic, including the Arctic National Wildlife Refuge (ANWR).

For transactions that are not prohibited by the foregoing, we will conduct enhanced due diligence. Considerations include impacts on local communities and indigenous peoples, biodiversity and fresh water resources as well as the company's framework for and track record for managing energy use, greenhouse gas emissions, spills and leaks, emergency response, waste and wastewater and health and safety.

### *Oil Sands and Ultra Deepwater Oil and Gas*

When considering transactions related to oil sands development, or ultra deepwater oil and gas exploration and production, we will conduct enhanced due diligence and be prudent in the transactions we undertake.

Enhanced due diligence considerations include environmental and social impacts, such as impacts on local communities and indigenous peoples, occupational health and safety, biodiversity, and fresh water resources, as well as the company's framework for and track record of managing environmental and social risks such as greenhouse gas emissions, spills and leaks, and waste and wastewater management.

## *Shale Oil and Gas*

When considering transactions related to the exploration and production of shale oil or gas using hydraulic fracturing, we will conduct enhanced due diligence and be prudent in the transactions we undertake.

Enhanced due diligence considerations include environmental and social impacts, such as impacts on local communities and indigenous peoples, occupational health and safety, biodiversity, fresh water resources, and seismicity, as well as the company's framework for and track record of managing environmental and social risks such as greenhouse gas emissions, spills and leaks, and waste and wastewater management.

## *Oil and Gas Transportation Pipelines and LNG Export*

When considering transactions related to the construction or operation of oil and gas transportation pipelines or LNG plants and terminals, we will conduct enhanced due diligence and be prudent in the transactions we undertake.

Enhanced due diligence considerations include environmental and social impacts, such as impacts on local communities and indigenous peoples, occupational health and safety, biodiversity, and fresh water resources, as well as the company's framework for and track record of managing environmental and social risks such as spills and leaks.

## *Nuclear Energy*

Financings directly related to the construction of new, or upgrades of existing nuclear power plants are subject to enhanced due diligence. Enhanced due diligence considerations include the host country's legal, regulatory, and safety framework, environmental and social impacts, including community impacts, and the company's framework for and track record in managing environmental and social risks such as seismicity and health and safety risks.

## *Hydropower*

Morgan Stanley applies enhanced due diligence to financings directly related to the construction of new large-scale hydropower projects. Enhanced due diligence includes a review of available environmental and social impact assessments. The International Hydropower Association Sustainability Assessment Protocol will be referenced as guidance.

## *Forestry*

Forests are important to our environment, to communities and to biodiversity, and their degradation poses significant threats to each. We seek to promote the sustainable management of forests, including the protection of high conservation value forests.

We prefer to finance only preservation and light, non-extractive use of forest resources for projects in forests where high conservation values are endangered.

Companies that are directly involved in timber logging are expected to have obtained or be working toward Forest Stewardship Council (FSC) certification or a comparable certification when we directly

finance forestry projects that impact high conservation value forests. Compliance with applicable laws and regulations is required. Companies that are in compliance with applicable laws and regulations and have not obtained nor are working toward FSC or a comparable certification will be considered on a case-by-case basis if they can demonstrate compliance with the FSC Principles, and in such case, we will introduce or refer relevant clients to credible experts who can help establish a rigorous, time-bound, step-wise approach to achieve certification.

We will not knowingly finance companies or projects that collude with or are knowingly engaged in illegal logging or utilize illegal or uncontrolled fire. For companies that process, purchase or trade wood products from high risk countries, diligence considerations include practices for ensuring wood comes from legal sources, such as the use of third-party certification for chain of custody systems. We will seek to discuss such due diligence and monitor items with client representatives where practicable.

### *Palm Oil*

For companies that are directly involved in the upstream production of palm oil, Morgan Stanley will not provide financing unless the companies either have achieved or are working toward Roundtable on Sustainable Palm Oil (RSPO) certification or a comparable certification. Compliance with applicable laws and regulations is required, including, for those clients operating in Indonesia, compliance with the Indonesian Sustainable Palm Oil system. Companies that are in compliance with applicable laws and regulations but have not obtained nor are working toward RSPO or a comparable certification will be considered on a case-by-case basis if they can demonstrate compliance with the RSPO Principles.

## **Cross-Sector Approaches**

### *Critical Habitats and Critical Cultural Heritage*

Morgan Stanley recognizes the importance of critical habitats and critical cultural heritage as part of its environmental and social risk management framework. Considerations regarding these issues are incorporated into our due diligence processes, including potential impacts on biodiversity and traditional local communities' and indigenous peoples' livelihoods and cultural heritage.

We will not knowingly finance extractive or commercial logging projects in UNESCO World Heritage sites.

We will not knowingly finance or invest in industrial projects where the specified use of proceeds would significantly convert or degrade a critical habitat. Critical habitats are areas of high biodiversity value such as habitats of significant importance to endangered or endemic species and highly threatened and/or unique ecosystems. They include legally protected areas, areas officially proposed by governments as protected areas, and sites identified by a project's environmental impact assessment as vital to the viability of the protected areas.

### *Human Rights*

Morgan Stanley will not knowingly finance transactions where there is direct involvement in modern slavery, such as forced labor and human trafficking, or harmful or exploitative forms of child labor. Potential human rights issues (including within a company's supply chain, as may be relevant) are

considered in our due diligence processes as appropriate. Please see Section 5, “Human Rights” for more information on our approach to human rights.

## *Indigenous Peoples*

Morgan Stanley recognizes that the identities and cultures of indigenous peoples are inextricably linked to the lands on which they live and the natural resources on which they depend. We respect the rights of indigenous peoples globally regarding issues affecting their lands and territories, traditionally owned or otherwise occupied and used.

When financing projects in indigenous territories, Morgan Stanley will aim to ensure that the project sponsors or borrowers, as appropriate, will have demonstrated that: (i) the appropriate parties are engaged with the affected indigenous peoples to achieve free, prior, and informed consent<sup>2</sup>; (ii) approaches rely on existing customary institutions and allow adequate time to review information; (iii) governmental authorities at the local, regional or national level are providing mechanisms for the affected communities to be represented, consulted or to air grievances; (iv) information on the expected adverse impacts of the project on the indigenous peoples is being provided to them; and (v) the project includes measures to avoid, reduce or compensate for significant adverse impacts on traditional or customary lands under use by indigenous peoples and relocation of indigenous peoples from traditional or customary lands.

For transactions that may directly and adversely impact indigenous peoples, enhanced due diligence will be applied. Considerations include the company's framework for managing and addressing the potential impacts, such as policies on indigenous peoples, engagement and consultation processes including processes to achieve free, prior and informed consent, culturally appropriate communication, avoidance of impacts on critical heritage and land subject to traditional ownership or customary use, and grievance mechanisms.

## **4. Climate Change**

Morgan Stanley recognizes that climate change is occurring, and acknowledges the scientific consensus, led by the Intergovernmental Panel on Climate Change, that greenhouse gases emitted by human activities are the primary driver. We recognize the benefits of helping to reduce greenhouse gas emissions as climate change poses significant risks to the global economy. Effective action on climate change will require a broad transformation of sectors and economies. It will be critical that impacts to workers and communities be carefully managed. Due to the complexity of addressing climate change in both developed and emerging economies, a transition to a low-carbon economy will necessitate joint efforts by governments, businesses and individuals. As a financial services firm, we leverage capital markets to scale sustainability solutions and work to engage our clients to improve climate resilience. Our firm seeks to facilitate an orderly transition to a low-carbon economy through policies, activities, products and services that support the mitigation of climate risks and catalyze emerging opportunities in the market. We view this as a journey that will evolve over time.

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<sup>2</sup> Although no universal definition of free, prior and informed consent (FPIC) exists, it is well-accepted that it comprises a process and an outcome in which project sponsors and the government engage in good faith negotiation with the affected indigenous peoples to agree on the basis for which a project can proceed. FPIC neither requires unanimous support by individuals or sub-groups within the community nor requires the project sponsors to agree to aspects not under their control.

Specifically, Morgan Stanley is committed to:

- Devoting resources to reducing carbon emissions by continuing to increase lending and capital raising efforts for cleaner and renewable sources of energy, as well as other low-carbon finance opportunities and seeking to reduce the proportion of our energy financing to coal mining and coal-fired power generation (see Section 2, “Sustainable Financing and Investing,” and Section 3, “Environmental and Social Risk Management”)
- Seeking to understand how clients evaluate and enhance resilience to the physical and transition risks outlined in the recommendations from the G-20 Financial Stability Board’s Task Force on Climate-Related Financial Disclosures (TCFD) and encouraging and supporting their efforts to do so
- Incorporating climate risk considerations into our due diligence processes (see Section 3, “Environmental and Social Risk Management”)
- Continuing to provide investment research that enhances understanding of climate risks and opportunities for investors and businesses (see Section 2, “Sustainable Financing and Investing”)
- Reducing energy consumption, improving energy efficiency and procuring renewable energy across our global operations
- Enhancing the dialogue regarding strategic solutions, including public policy solutions, to climate change (see Section 7, “Governance, Implementation and Reporting”)
- Reporting on our progress in line with relevant frameworks (see Section 7, “Governance, Implementation and Reporting”)

For specific examples illustrating these commitments and a record of progress, please refer to Morgan Stanley’s [Sustainability Report](#).

## 5. Human Rights

Morgan Stanley is committed to being a responsible corporate citizen and fulfilling the important role business can play in protecting and advancing global standards for human rights, including equal opportunity, the freedom to associate and bargain collectively, and the elimination of modern slavery, human trafficking and harmful or exploitative forms of child labor.<sup>3</sup> We endeavor to exercise our influence by conducting our business operations in ways that seek to respect, protect and promote the full range of human rights such as those described in the United Nations’ Universal Declaration of Human Rights.

Our [Statement on Human Rights](#), approved by our Board of Directors, enshrines our commitment to respect and uphold human rights under the United Nations’ Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights.

Human rights considerations are incorporated into our transaction due diligence process, our engagement with companies, our supplier expectations, and our own operations. To help ensure that modern slavery is not taking place in any part of our operations or any of our supply chains, we address this issue in our supplier policies, agreements and our [Supplier Code of Conduct](#). We are also

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<sup>3</sup> Harmful or exploitative forms of child labor are defined as work that is economically exploitative, is likely to deprive children of their childhood, their potential and their dignity, and is mentally, physically, socially or morally dangerous and harmful to children.

committed to engaging with stakeholders and partners to understand the evolving global landscape and continuously improve our approach.

Please see the ESRM section of this Policy Statement and Morgan Stanley's [Modern Slavery and Human Trafficking Statement](#) for additional information on our approach to this issue.

## 6. Operations

Morgan Stanley believes that a meaningful commitment to protecting the environment must begin with our own operations. We are committed to minimizing our direct impact on the environment, and we aspire to best practices in facilities management and sourcing.

### *Energy and Greenhouse Gas Management*

In 2017, Morgan Stanley announced a commitment to become carbon neutral by 2022, with an aim to source 100 percent of our global operational electricity needs from renewable sources and to offset any remaining emissions. As part of this commitment, we have updated our energy reduction targets. Morgan Stanley aims to achieve a 20 percent reduction in energy usage by 2022 from a 2012 baseline, on an absolute basis. The goal to become carbon neutral covers Scope 1 and 2 emissions and Scope 3 business travel, as defined by the Greenhouse Gas Protocol. To achieve carbon neutrality, we seek to develop on-site power generation, secure power purchase agreements, purchase renewable energy credits and pursue carbon offsets, as appropriate. We will continue to disclose our carbon footprint information to the public, as we have since 2006.

### *Green Buildings*

Morgan Stanley is committed to sustainable and responsible operations through enhanced standards for our owned and leased buildings. We are focused on specifications for location, design, energy, water efficiency, air quality and materials that incorporate environmental best practice (e.g., U.S. Green Building Council's LEED certification program, U.K. BREEAM system and WELL Building standards). When possible, Morgan Stanley includes green lease components in new leases and renewals for environmental data reporting transparency. Our continuous commissioning at our owned sites ensures building systems are operating at design specifications and identifies further opportunities to increase efficiency and reduce energy use.

### *Procurement*

We evaluate opportunities to increase sustainable product sourcing by establishing policies, such as our Supplier Code of Conduct, that outline our expectations and requirements for vendors on sustainability and human rights issues. Environmental risk is weighed when purchasing, with preference given to products made from recyclable, compostable and biodegradable materials. We also promote policies that maximize product efficiency and reduce our overall purchasing needs (e.g., promoting energy-saving equipment and reducing paper usage through automated and digitized processes).

### *Waste Management*

Morgan Stanley takes measures to promote recycling and to minimize waste volumes. Recycling diversion rates and total waste volumes are continuously monitored at our major facilities.

Comprehensive waste audits are regularly performed to ensure our handling and recycling processes are productive and improved when necessary. Recycling programs focus on employee engagement with clear labeling on waste and recycling bins dispersed throughout our buildings' floors. Cleaning staff is trained on proper procedures in collecting recyclable materials. Compostable materials are collected from our cafeterias and kitchens.

## 7. Governance, Implementation and Reporting

Morgan Stanley has a strong governance system in place and takes the appropriate steps to implement and review this Policy Statement on a regular basis.

### *Governance*

The Nominating and Governance Committee of the Morgan Stanley Board of Directors oversees the firm's ESG initiatives and reviews this Policy Statement and the Statement on Human Rights.

### *Training*

Employees and executives across the firm are responsible for implementing our ESG commitments. We train our employees to understand and manage ESG risks and opportunities affecting our business.

### *Stakeholder Engagement*

Morgan Stanley values the perspectives and insights of our external stakeholders and regularly engages with stakeholder groups. We discuss environmental and social issues through meetings and open dialogue with other financial institutions, shareholders, investors, clients — investor and corporate — employees, nongovernmental organizations, communities, policy makers, and sustainability thought leaders. We also participate in relevant external sustainability initiatives including but not limited to BSR, Ceres, Climate Bonds Initiative, PRI and RE100. In addition to these ongoing efforts, the GSF Group convenes an annual roundtable, working with the ESRM Group and relevant functions and businesses across the firm, to gather insights from key external stakeholders on the firm's activities related to ESG issues. With respect to internal stakeholders, our ability to execute our sustainability strategy depends on the knowledge and enthusiasm of our employees. We regularly share information on the firm's sustainability initiatives, and invite employees to engage on ESG issues. We believe that dialogue with stakeholders is important to ensuring that we consider diverse and timely perspectives in our approaches.

### *Reporting*

Morgan Stanley is committed to regularly providing our stakeholders information about our environmental and social risk management and sustainability performance, including our progress under this Policy Statement. Morgan Stanley publishes an annual sustainability report with a focus on investor-relevant ESG data and information. Additional information regarding our sustainability policies and performance can be found in the following locations:

- The [Sustainability](#) page of our website, which covers updates on our community development and philanthropic efforts, employee programs, and corporate sustainability initiatives, and includes links to download disclosures to relevant sustainability frameworks

- The [Institute for Sustainable Investing](#) website, which provides insights and thought leadership for a broad investor and business audience on the market for sustainable investing and sustainable finance, as well as on issues such as climate change and inclusive growth
- The [Corporate Governance](#) page of our website, which includes policies guiding ESG governance
- Morgan Stanley Investment Management's [Sustainable Investing](#) website
- Annual disclosure on our approach to climate change, including information on greenhouse gas emissions reduction.

Morgan Stanley is also committed to continually improving our reporting and disclosure. As such, we monitor emerging sustainability reporting frameworks, such as the recommendations from the TCFD, the SASB standards, and others. Where relevant, we use aspects of these frameworks to guide our reporting.

### *Review*

This Policy Statement is reviewed annually by the ESRM Group, the GSF Group, the businesses, and other relevant internal functions and may be modified to reflect developments in our sustainability strategy or business operations. The results of the review are presented to the Global Franchise Committee, and material amendments are presented to the Nominating and Governance Committee of the Board of Directors for their consideration.