

California Voluntary Carbon Market Disclosure

January 1, 2026

This information has been prepared and is provided for the sole purpose of disclosure under Sections 44475-44475.3 of the California Health and Safety Code. 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 material or required to be disclosed, nor waiving any arguments about the interpretation of Sections 44475-44475.3 or any other applicable laws or regulations. 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 institutional or corporate 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 at no cost by any person, including Morgan Stanley and its counterparties, on their respective 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;

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- 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;
- any standards of the registry, and potentially any standards established by law or by another nonprofit entity, satisfied by the project;
- the durability period for any project, if available;
- any 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 4475.1 Information

Morgan Stanley purchases and uses VCOs as part of its efforts to maintain carbon neutral status, discussed in the next section. Relevant information about projects we have used for this purpose can be found on their respective registry listings using the links below.

- Verra: [VCS2402](#), [VCS959](#), [VCS2498](#), [VCS 2250](#), and [VCS 1530](#)
- Climate Action Reserve: [CAR 1567](#), [CAR 1663](#), [CAR 1674](#)
- American Carbon Registry: [ACR 844](#), [ACR 915](#)
- Gold Standard: [GS 10220](#)

Section 44475.2 Information

Carbon Neutrality. Morgan Stanley has achieved carbon neutrality across our global operations since 2022. Information on our carbon neutral operations commitment and approach to measuring progress is available in Morgan Stanley's 2024 Sustainability Report, at page 26. Our operational emissions data is disclosed on page 36 of the 2024 Sustainability Report.

As of January 1, 2026, Morgan Stanley's carbon neutral status is not independently verified by a third party. However, we have received third-party limited 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 for the year ended December 31, 2024, included within the 2024 Sustainability Report are presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development (the "**GHG Protocol**"). Please see pages 62-64 of the 2024 Sustainability 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 six high-emitting sectors. Information on these targets and Morgan Stanley's approach to measuring interim progress toward them is available in a methodology report, [Morgan Stanley's 2030 Interim Financed Emissions Targets](#).

We have received third-party limited assurance of Absolute Financed Emissions attributable to Morgan Stanley's corporate relationship lending portfolio in the sectors in scope of our 2030 interim financed emissions targets. The limited assurance covered the years ended December 31, 2022 and December 31, 2023. The results are included in the 2024 Sustainability Report and are presented in accordance with the GHG Protocol. Please see pages 60-61 of the 2024 Sustainability Report for additional information.

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.

DISCLOSURES

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, these disclosures contain statements based on hypothetical scenarios and assumptions, which may not occur or differ significantly from actual events, and these statements should not necessarily be viewed as being representative of current or actual risk or forecasts of expected risk.

Actual results and financial conditions may differ materially from those included in these statements due to a variety of factors, including, among others, data quality and availability; global socio-demographic, political and economic conditions and trends; energy prices; technological innovations; climate-related conditions and weather events; counterparty and client behavior, including the ability to reach climate targets and execute on transition plans, and financial health; the evolution of consumer behavior; insurance applicability; legislative and regulatory changes; the need for thoughtful climate policies; the challenge of balancing short-term targets with the need to facilitate an orderly transition and energy security; our ability to retain and attract qualified employees in a competitive environment for talent; the potential impact of legal and regulatory obligations; and other unforeseen events or conditions; and the precautionary statements included in these disclosures 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 these disclosures 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 these disclosures. 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

These disclosures are being provided for the sole purpose of compliance with Sections 44475-44475.3 of the California Health and Safety Code. Our approaches to these disclosures differ from those included in other reporting, including reporting under SEC rules and regulations.

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looking statements in these disclosures 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.

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

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