

Morgan Stanley IQ: Impact Profile Builder

Morgan Stanley Impact Quotient® (Morgan Stanley IQ) enables clients to assess an investment portfolio's alignment with the impact priorities that matter most to them. This document is designed to capture clients' top impact priorities as part of the Client Impact Profile, informing an approach to assess impact alignment over time.



IMPACT OBJECTIVES

Social and/or environmental impacts sought to be aligned within an investment portfolio. Note: Impact Objectives have been organized into several unifying Impact Themes. Limit selections to 12 total Impact Objectives. Only those boxes checked will be selected as part of the Profile.

Impact Themes

Broad-Based Sustainability (6 Impact Objectives)

Advancing positive impact solutions and sustainable corporate practices broadly

- Climate Solutions
- Governance Practices
- Empowerment Solutions
- Environmental Practices
- Natural Resource Solutions
- Social Practices



Climate Action (6 Impact Objectives)

Advancing solutions to combat climate change and transition to a less carbon intensive economy (6 Impact Objectives)

- Climate Disclosure
- Cleaner Energy Sources
- Climate Footprint
- Energy Efficiency
- Natural Resource Solutions
- Natural Resource Use



Fossil Fuel Aware (4 Impact Objectives)

Encouraging a transition to a less carbon intensive economy by managing exposure to fossil fuel energy sources

- Climate Disclosure
- Cleaner Energy Sources
- Climate Footprint
- Energy Efficiency



Gender Lens (5 Impact Objectives)

Promoting gender equality in corporate leadership and empowering women and girls

- Gender Diversity in Leadership
- Gender Diversity in Workforce
- Closing the Gender Pay Gap
- Parental Leave
- Preventing Sexual Harassment



Improving Lives (6 Impact Objectives)

Generating solutions that contribute to healthy lives and well-being for all ages

- Access to Education
- Access to Finance
- Access to Food & Nutrition
- Access to Healthcare & Disease Prevention
- Access to Information
- Affordable Housing



Inclusive Workplace (4 Impact Objectives)

Promoting fair and safe work environments for all employees

- Diversity in Leadership
- Human Rights Record
- Employee Treatment
- Ethical Practices



For clients seeking to customize beyond an Impact Theme or articulate a more specific set of impact goals not captured above, please refer to the last page for an expanded set of Customized Impact Objectives.

OTHER IMPACT PREFERENCES

Issues Of Concern

Sectors, issues or business activities found to be objectionable or to be avoided within an investment portfolio. **Limit 10.**



PRODUCTS & PRACTICES

- Abortion/Abortifacients
- Alcohol
- Animal Welfare Concerns
- Carbon Underground 200™
- Catholic Values Exclusions
- Contraceptives
- Defense
- Gambling
- Nuclear Power
- Pornography
- Shari'a Compliant Exclusions
- Stem Cells
- Tobacco
- Weapons (Firearms)

INDUSTRIES & SECTORS

- ADRs
- Airlines
- Automotive
- Banking
- Biotechnology
- Chemicals
- Financial Services
- Healthcare
- Insurance
- Limited Partnerships (does not include MLPs)
- Oil & Gas
- Pharmaceuticals
- Real Estate Investment Trusts
- Utilities

RATINGS

- Environment (Bottom 5% Performers)
- Human Rights (Bottom 5% Performers)

OTHER

Other: _____

Targeted Populations For Impact

Geographies or groups intended to experience positive impacts associated with selected investments. **Select all that apply.**



GEOGRAPHIES

- Global
- International Developed Markets (ex-US)
 - Australia and New Zealand
 - Canada
 - Western, Northern and Southern Europe
- United States (broad focus)
 - Midwest US
 - Northeast US
 - Pacific US
 - Rocky Mountains US
 - South US
 - Southwest US
- Emerging Markets
 - East and Southeast Asia
 - Eastern Europe, Russia and Central Asia
 - Latin America & Caribbean (incl. Mexico)
 - Middle East and North Africa
 - South Asia
 - Sub-Saharan Africa
- Other: _____

GROUPS

- Bottom of the Pyramid (individuals living on <\$2.50/day)
- Low or Moderate Income Populations
- Women & Girls
- Other: _____

Sustainable Development Goals



United Nations supported framework aimed at ending poverty, protecting the planet and ensuring prosperity for all. **Select all that apply.**

- 1 NO POVERTY**
- 2 ZERO HUNGER**
- 3 GOOD HEALTH AND WELL-BEING**
- 4 QUALITY EDUCATION**
- 5 GENDER EQUALITY**
- 6 CLEAN WATER AND SANITATION**
- 7 AFFORDABLE AND CLEAN ENERGY**
- 8 DECENT WORK AND ECONOMIC GROWTH**
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
- 10 REDUCED INEQUALITIES**
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
- 13 CLIMATE ACTION**
- 14 LIFE BELOW WATER**
- 15 LIFE ON LAND**
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS**
- 17 PARTNERSHIPS FOR THE GOALS**

Faith-Based Approaches



Faiths to serve as a lens or set of considerations within an investment portfolio. **Limit 1.**

- Baptist Values
- Catholic Values
- Christian Values
- Islamic Values
- Jewish Values
- Other: _____

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PORTFOLIO PREFERENCES

Ways in which Impact Preferences should be integrated within an investment portfolio. **Select all that apply.**



Portfolio Integration Approach

- Total portfolio integration (100% of selected accounts)
- Targeted carve-out:
Targeted Percent ___%; Targeted Assets \$ _____
- Tilt portfolio toward specific themes or objectives
- Integrate when new cash or investment changes
- Not pursuing integration at this time

Available Investment Opportunities

- Public market investments (e.g., Public Equities, Fixed Income, Multi-Asset)
- Alternative investments (e.g., Real Assets, Private Equity; for qualified investors)

Approaches to Investing with Impact

- Restriction Screening**
Managing exposures by intentionally avoiding investments generating revenue from objectionable activities, sectors or geographies
- ESG-Integration**
Proactively considering ESG criteria alongside financial analysis to identify opportunities and risks during investment process
- Thematic Exposure**
Focusing on themes and sectors dedicated to solving sustainability-related domestic and global challenges
- Impact Investing**
Allocating to investment vehicles focused on private enterprises structured to deliver specific positive social and/or environmental impacts
- Shareholder Engagement**
Driving positive change through active dialogue, proxy voting and/or shareholder resolutions in invested companies

NOTES

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Expanded set of social and environmental impacts sought to be aligned within an investment portfolio. Limit selections to 2 Impact Themes (from page 1) or 12 total Impact Objectives.

IMPACT SOLUTIONS

Company outputs—including products and services—contributing to solutions in the areas of Climate, Natural Resources and Empowerment.

Climate Solutions

- Energy Efficiency**
Energy efficient transportation, buildings and energy storage distribution systems
- Sustainable Real Estate & Building Materials
- Energy Efficient Transportation
- Energy Storage, Management & Distribution
- Cleaner Energy Sources**
Providing renewable and cleaner sources of energy
- Renewable & Cleaner Energy
- Environmental Leaders in Traditional Energy

Natural Resource Solutions

- Waste & Pollution Management**
Solutions and systems for waste and pollution management
- Water Solutions
- Environmental Remediation
- Waste Treatment Infrastructure & Solutions
- Recycling Solutions
- Conservation**
Protecting ecosystems, habitats and biodiversity across land, forests and water
- Marine Conservation
- Land Conservation
- Sustainable Consumer Products**
Products with lower impact on the environment and living creatures
- Products with Lower Environmental Impact
- Organic or Vegan Products
- Products Encouraging Humane Animal Treatment
- Sustainable Agriculture**
Sustainable timberland, farming, fisheries and food systems
- Sustainable Forestry
- Sustainable Farming

Empowerment Solutions

- Affordable Housing**
Constructing, preserving and promoting ownership of affordable housing
- Preservation of Affordable Housing
- Construction of New Affordable Housing Units
- Homes Purchased for Shared Equity/Ownership

- Equitable, Transit-oriented Development
- Elder Housing
- Housing for Women & Girls

Access to Food & Nutrition

- Providing access to basic and healthy food, and healthier products and services
- Healthier Products & Services
- Access to Basic Food
- Preventive Healthcare

Access to Healthcare & Disease Prevention

- Treating major diseases and providing access to medicine and health systems
- Major Disease Treatment
- Access to Sanitary Products
- Health Delivery Systems
- Access to Medicine
- Health Payment Systems
- Mobile Health & Health Technology
- Elder Care
- Family Planning & Contraceptives
- Maternal & Child Healthcare

Access to Finance

- Products and technology fostering financial inclusion for individuals and enterprises
- SME Finance
- Financial Inclusion & Microfinance
- Payments Services & Remittances
- Student Finance

Access to Information

- Infrastructure and access to internet, mobile and media services
- Telecommunications Infrastructure
- Internet Access & Affordable Mobile Services
- Media Access & Distribution

Access to Education

- Providing educational services and opportunity
- Early Childhood Education
- K-12 Public Education
- Private & Charter Schools
- Vocational Training
- Higher Education
- Adult & Continuing Education
- Educational Support & Supplemental Services
- Educational Content & Technology
- Education for Women & Girls

Access to Clean Water & Sanitation

- Infrastructure and solutions for water and wastewater treatment
- Access to Clean Water
- Water & Wastewater Treatment Infrastructure

Access to Energy

- Access to grid and off-grid energy solutions
- Energy Equity: Grid Energy Access
- Energy Equity: Off-grid Energy Access

Economic Development

- Access to employment, entrepreneurship and local infrastructure
- Access to Employment
- Entrepreneurship & Enterprise Development
- Transportation Infrastructure
- Disaster Relief & Preparedness

Arts & Culture

- Supporting vibrant communities through arts and culture

Criminal Justice Reform

- Prison alternatives, education and re-entry/employment
- Prison Alternatives
- Prison Education
- Prisoner Re-entry & Employment

SUSTAINABLE CORPORATE PRACTICES

Company behaviors and operations across Environmental, Social and Governance dimensions.

Environmental Practices

- Climate Disclosure**
Disclosing climate footprint, including greenhouse gas emissions
- Carbon Emissions Reporting
- Climate Footprint**
Efforts to reducing greenhouse gas emissions
- Reducing Carbon Emissions
- Alternative Energy Usage
- Sustainable Building Usage
- Natural Resource Use**
Reducing waste, pollution and stress on water and natural resources
- Reducing Toxic Emissions, Waste & Pollution
- Reducing Natural Resource Stress
- Reducing Water Stress
- Environmental Supply Chain Management
- Recycling Practices
- Biodiversity Policy

Social Practices

- Human Rights Record**
Protecting human rights through policies and compliance with international norms
- Human Rights Compliance
- Child Labor Policy
- Forced Labor/Modern Slavery Policy
- Human Trafficking Policy
- Indigenous Peoples Policy

Employee Treatment

- Promoting employee welfare through health & safety, diversity & inclusion, good benefits, employee relations and workplace policies
- Living Wage
- Preventing Sexual Harassment
- Employee Protection
- Flexible Work Options
- Parental Leave
- Closing the Gender Pay Gap
- Gender Diversity in Workforce
- Employee Engagement
- Union Relations/Collective Bargaining
- Worker Health & Safety
- Equal Employment Opportunity
- Multicultural Diversity
- LGBT Diversity
- Health Insurance Coverage
- Retirement Plan
- Childcare Services
- Employee Training

Customer & Supplier Treatment

- Promoting product safety, responsible marketing, customer relations, fair competition and social supply chain management
- Social Supply Chain Management
- Product Safety Record
- Anti-competitive Practices Record
- Responsible Marketing Record
- Customer Relations Record
- Diverse Supplier Program

Governance Practices

- Ethical Practices**
Strong ethics and anti-corruption record
- Ethics & Fraud Record
- Anti-corruption Policy
- Financial Transparency**
Corporate transparency on taxes, accounting and executive pay
- Tax Transparency
- Fair Accounting Practices
- Executive Pay Transparency
- Political Contribution Transparency
- Ownership & Oversight**
Board independence, and lack of controlling shareholder concerns
- Board Independence
- Ownership & Control Record
- Diversity in Leadership**
Diversity in board and executive leadership
- Gender Diversity in Leadership
- Multicultural Diversity in Leadership
- LGBT Diversity in Leadership

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If you have any questions, or for more detailed information about the topics presented here, please discuss them with your Morgan Stanley Financial Advisor.

This document is intended to help your Morgan Stanley Financial Advisor identify and record the impact priorities that matter most to you; however, not all selections are currently available for reporting. This document is designed solely for your individual use; it is for informational purposes only; and it is not intended as an offer or solicitation with respect to the purchase or sale of any security. Although the information contained herein has been obtained from, and is based upon, sources that we believe to be reliable, we do not guarantee its accuracy or timeliness and any such information may be incomplete or condensed. Information contained herein has been obtained from MSCI ESG Research, Equileap, ISS-ESG, Fossil Free Indexes, the United Nations and Morgan Stanley.