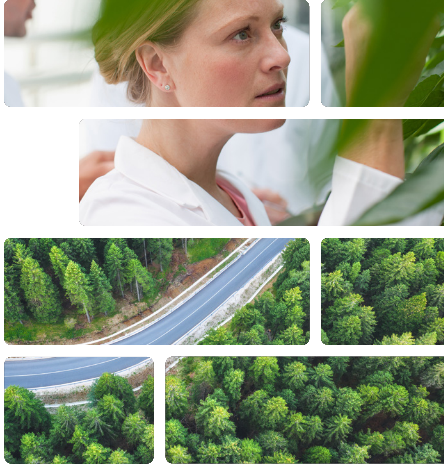
Calvert



ESG Investing Terms Your Clients Should Know

ACTIVE OWNERSHIP
The use of the rights and position of ownership to influence the activity or behavior of investees. For listed equity owners, this includes engaging companies on ESG issues and exercising (proxy) voting rights. It is seen as a means of reducing investment risk, enhancing long-term shareowner value, or both.

BEST-IN-CLASS/POSITIVE SCREENING
The selection of companies with better or improving ESG performance relative to sector peers. Also referred to as positive screening.

CARBON NEUTRAL
A strategy which removes the equivalent amount of CO2 to what's emitted through business activities. Carbon removal strategies can include carbon offsets and carbon capture.

CORPORATE GOVERNANCE
The system of rules, practices and processes by which a company is directed and controlled, designed to ensure management acts in the best interests of its shareholders. Corporate governance covers a wide scope from reviewing board independence, remuneration and risk practices, to capital allocation and accounting practices.

CORPORATE SOCIAL RESPONSIBILITY (CSR)
A self-regulating business model that helps a company be socially accountable—to itself, its stakeholders and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social and environmental.

ENGAGEMENT
Refers to interactions between the investor and current or potential investees (companies, governments, municipalities, etc.) on ESG issues. Engagements are undertaken to influence ESG practices and/or improve ESG disclosure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA
A set of standards for a company's operations that socially conscious investors use to evaluate potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

ESG INTEGRATION
An investment approach in which a range of sustainability and ESG-related risks and opportunities are considered in addition to traditional financial analysis. In principle, this can lead to a more fundamental assessment of the environment in which a company operates and its performance in managing different stakeholders.

EXCLUSIONARY/NEGATIVE SCREENING
The exclusion from a portfolio of certain sectors, companies or practices based on specific ESG criteria. Also referred to as negative screening.

GENDER LENS INVESTING

Investing that aims to improve the lives of women and girls, while also generating financial returns.

GREEN INVESTING

Investing in companies and technologies that are considered to be positive for the environment, such as companies offering alternative sources of energy or those that have demonstrated a track record of reducing their environmental impact.

IMPACT INVESTING

Investments in companies, organizations and funds with the disclosed intention to generate and measure social and environmental benefits alongside a financial return.

MATERIALITY

A fact is material if there is a substantial likelihood that the fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available.

NET ZERO

Refers to the balance between the amount of greenhouse gases going into the atmosphere and the amount of greenhouse gases being removed from the atmosphere.

RESPONSIBLE INVESTMENT

A term widely used to cover a broad range of activities and approaches, including ESG integration, engagement and active ownership.

SHAREHOLDER ACTIVISM (OR ADVOCACY)

A public form of engagement whereby investors use their shareholdings to engender change at a company. This can be done through submitting shareholder resolutions or a public media campaign against a company. Shareholder activism tends to be a more confrontational approach to promoting change.

SOCIALLY RESPONSIBLE INVESTMENT (SRI)

This is considered the oldest and most established term relating to sustainable investing, and is grounded in more ethically and values-focused approaches to investment.

STAKEHOLDER CAPITALISM

Stakeholder capitalism is a system in which corporations are oriented to serve the interests of all their stakeholders. Among the key stakeholders are customers, suppliers, employees, shareholders and local communities. Under this system, a company's purpose is to create long-term value and not to maximize profits and enhance shareholder value at the cost of other stakeholder groups.

SUSTAINABILITY

A decision-making perspective that takes into account a broad array of stakeholders and systems, present and future. Sustainable decisions aim not only to meet present needs, but to strengthen social, environmental and economic systems, while preserving the ability of future generations to make decisions that meet their own needs.

THEMATIC INVESTING

Investment strategies that focus on a specific ESG issue, such as renewable energy, clean tech, sustainable agriculture, education or health.

Five Principles of Good Governance

In the context of Responsible Investing and ESG, governance factors include those that measure the quality and robustness of a company's internal structure and practices, its consideration for shareholder rights, its accountability and wider transparency framework. Measures of governance can include board structure, board independence, executive compensation or auditor independence.

1 **ACCOUNTABILITY**
The mechanisms that hold people responsible for their decisions and actions. Within corporate governance, management is accountable to the board of directors, and the board is accountable to shareholders.

2 **INDEPENDENCE**
The structures and processes that help minimize the potential influence of conflicts of interest on decision-making process.

3 **PARTICIPATION**
The extent to which corporations invite and support involvement from directors, investors, and other stakeholders.

4 **PREDICTABILITY**
The extent to which investors can count on the board and executive team to strive to meet their stated long-term objectives.

5 **TRANSPARENCY**
The ease with which investors and other outsiders can meaningfully analyze a company and its actions.

Visit the Calvert Advisor Resource Center at Calvert.com/advisor-resource-center

To continue learning more about Responsible Investing and how deeper knowledge of the space may help you build your business.

About Calvert

Calvert Research and Management (Calvert) is a global leader in Responsible Investing. Calvert sponsors one of the largest and most diversified families of responsibly invested mutual funds, encompassing active and passively managed equity, fixed income, alternative and multi-asset strategies. With roots in Responsible Investing back to 1982, the firm seeks to generate favorable investment returns for clients by allocating capital consistent with environmental, social and governance best practices and through structured engagement with portfolio companies. Calvert manages assets on behalf of funds, individual and institutional separate account clients, and their advisors. Calvert is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley. For more information, visit calvert.com.

Risk Considerations

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market.

ESG strategies that incorporate impact investing and/or environmental, social and governance (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.

A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required.

For important information about the investment managers, please refer to Form ADV Part 2.

This material is a general communication, which is not impartial, is for informational and educational purposes only, not a recommendation to purchase or sell specific securities, or to adopt any particular investment strategy. Information does not address financial objectives, situation or specific needs of individual investors.

DISTRIBUTION

This material is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations.

MSIM, the asset management division of Morgan Stanley (NYSE: MS), and its affiliates have arrangements in place to market each other's products and services. Each MSIM affiliate is regulated as appropriate in the jurisdiction it operates. MSIM's affiliates are: Eaton Vance Management (International) Limited, Eaton Vance Advisers International Ltd, Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, and Atlanta Capital Management LLC.

This material has been issued by any one or more of the following entities:

EMEA

This material is for Professional Clients/Accredited Investors only.

In the EU, MSIM and Eaton Vance materials are issued by MSIM Fund Management (Ireland) Limited ("FMIL") FMIL is regulated by the Central Bank of Ireland and is incorporated in Ireland as a private company limited by shares with company registration number 616661 and has its registered address at 24-26 City Quay, Dublin 2, DO2 NY19, Ireland.

Outside the EU, MSIM materials are issued by Morgan Stanley Investment Management Limited (MSIM Ltd) is authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA.

Italy: MSIM FMIL (Milan Branch), (Sede Secondaria di Milano) Palazzo Serbelloni Corso Venezia, 16 20121 Milano, Italy. **The Netherlands:** MSIM FMIL (Amsterdam Branch), Rembrandt Tower, 11th Floor Amstelplein 1 1096HA, Netherlands. **France:** MSIM FMIL (Paris Branch), 61 rue de Monceau 75008 Paris, France. Spain: MSIM FMIL (Madrid Branch), Calle Serrano 55, 28006, Madrid, Spain. **Germany:** MSIM FMIL Frankfurt Branch, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany (Gattung: Zweigniederlassung (FDI) gem. § 53b KWG). **Denmark:** MSIM FMIL (Copenhagen Branch), Gorrissen Federspiel, Axel Towers, Axeltorv2, 1609 Copenhagen V, Denmark.

MIDDLE EAST

Dubai: MSIM Ltd (Representative Office, Unit Precinct 3-7th Floor-Unit 701 and 702, Level 7, Gate Precinct Building 3, Dubai International Financial Centre, Dubai, 506501, United Arab Emirates. Telephone: +97 (0)14 709 7158).

This document is distributed in the Dubai International Financial Centre by Morgan Stanley Investment Management Limited (Representative Office), an entity regulated by the Dubai Financial Services Authority ("DFSA"). It is intended for use by professional clients and market counterparties only. This document is not intended for distribution to retail clients, and retail clients should not act upon the information contained in this document.

This document relates to a financial product which is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any documents in connection with this financial product. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it. The financial product to which this document relates may be illiquid and/or subject to restrictions on its resale or transfer. Prospective purchasers should conduct their own due diligence on the financial product. If you do not understand the contents of this document, you should consult an authorised financial adviser.

U.S.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT

Latin America (Brazil, Chile Colombia, Mexico, Peru, and Uruguay)

This material is for use with an institutional investor or a qualified investor only. All information contained herein is confidential and is for the exclusive use and review of the intended addressee, and may not be passed on to any third party. This material is provided for informational purposes only and does not constitute a public offering, solicitation or recommendation to buy or sell for any product, service, security and/or strategy. A decision to invest should only be made after reading the strategy documentation and conducting in-depth and independent due diligence.

ASIA PACIFIC

Hong Kong: This material is disseminated by Morgan Stanley Asia Limited for use in Hong Kong and shall only be made available to "professional investors" as defined under the Securities and Futures Ordinance of Hong Kong (Cap 571). The contents of this material have not been reviewed nor approved by any regulatory authority including the Securities and Futures Commission in Hong Kong. Accordingly, save where an exemption is available under the relevant law, this material shall not be issued, circulated, distributed, directed at, or made available to, the public in Hong Kong. **Singapore:** This material is disseminated by Morgan Stanley Investment Management Company and should not be considered to be the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor under section 304 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"); (ii) to a "relevant person" (which includes an accredited investor) pursuant to section 305 of the SFA, and such distribution is in accordance with the conditions specified in section 305 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. © 2024 Morgan Stanley. All Rights Reserved. RO 3375353 Exp. 2/28/2025 SKU 43152 LTR calvert.com This publication has not been reviewed by the Monetary Authority of Singapore. **Australia:** This material is provided by Morgan Stanley Investment Management (Australia) Pty Ltd ABN 22122040037, AFSL No. 314182 and its affiliates and does not constitute an offer of interests. Morgan Stanley Investment Management (Australia) Pty Limited arranges for MSIM affiliates to provide financial services to Australian wholesale clients. Interests will only be offered in circumstances under which no disclosure is required under the Corporations Act 2001 (Cth) (the "Corporations Act"). Any offer of interests will not purport to be an offer of interests in circumstances under which disclosure is required under the Corporations Act and will only be made to persons who qualify as a "wholesale client" (as defined in the Corporations Act). This material will not be lodged with the Australian Securities and Investments Commission.

JAPAN

For professional investors, this material is circulated or distributed for informational purposes only. For those who are not professional investors, this material is provided in relation to Morgan Stanley Investment Management (Japan) Co., Ltd. ("MSIMJ")'s business with respect to discretionary investment management agreements ("IMA") and investment advisory agreements ("IAA"). This is not for the purpose of a recommendation or solicitation of transactions or offers any particular financial instruments. Under an IMA, with respect to management of assets of a client, the client prescribes basic management policies in advance and commissions MSIMJ to make all investment decisions based on an analysis of the value, etc. of the securities, and MSIMJ accepts such commission. The client shall delegate to MSIMJ the authorities necessary for making investment. MSIMJ exercises the delegated authorities based on investment decisions of MSIMJ, and the client shall not make individual instructions. All investment profits and losses belong to the clients; principal is not guaranteed. Please consider the investment objectives and nature of risks before investing. As an investment advisory fee for an IAA or an IMA, the amount of assets subject to the contract multiplied by a certain rate (the upper limit is 2.20% per annum (including tax)) shall be incurred in proportion to the contract period. For some strategies, a contingency fee may be incurred in addition to the fee mentioned above. Indirect charges also may be incurred, such as brokerage commissions for incorporated securities. Since these charges and expenses are different depending on a contract and other factors, MSIMJ cannot present the rates, upper limits, etc. in advance. All clients should read the Documents Provided Prior to the Conclusion of a Contract carefully before executing an agreement. This material is disseminated in Japan by MSIMJ, Registered No. 410 (Director of Kanto Local Finance Bureau (Financial Instruments Firms)), Membership: the Japan Securities Dealers Association, The Investment Trusts Association, Japan, the Japan Investment Advisers Association and the Type II Financial Instruments Firms Association.

39289 RED 3478771 04/30/2025 LTR