

Morgan Stanley

To: Hannah Matthews (Latin America Researcher) & Mauricio Lazala (Deputy Director)
Business & Human Rights Resource Centre

Thank you for contacting Morgan Stanley regarding the Mongabay article and providing us with an opportunity to respond.

With respect to Morgan Stanley's holdings referenced in the article, the shares are not held as a strategic or proprietary investment on behalf of Morgan Stanley. To put the Firm's holding of Minerva and Marfrig common shares into context, we would like to provide you with a high-level overview of our institutional sales and trading business. Morgan Stanley has a broad, diversified institutional sales and trading business that makes markets, and facilitates trading with clients, in thousands of securities and financial instruments globally. In connection with this business, Morgan Stanley regularly maintains inventory and/or hedge positions in a broad array of global securities and financial instruments. Given the breadth of the business, it is quite common for Morgan Stanley to have a long common stock position similar to the positions mentioned in the article. It is important to note that positions such as these are held as a direct result to the market-making/customer facilitation business described above. In this sense, Morgan Stanley is not an "investor" in the traditional sense with respect to these names. Morgan Stanley has also not engaged in financings with the companies referenced in the article in 2018, 2019 or 2020.

For strategic and proprietary investments or for advisory or financing transactions with clients, Morgan Stanley's [Environmental and Social Policy Statement](#) outlines our approach to environmental and social risk management (ESRM) as well as sector and cross-sector approaches, including to specific transactions related to forestry, palm oil and critical habitats. As part of our ESRM approach, we analyze environmental and social risks, including deforestation risks, through due diligence processes that incorporate international frameworks, such as the International Finance Corporation's Performance Standards. We also engage with stakeholders and incorporate their perspectives and insights into our reviews.

Morgan Stanley recognizes that global sustainability challenges, including human rights, resource scarcity and climate change, are of critical importance and must be addressed. We appreciate you engaging with us and are sensitive to these issues.

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