

Morgan Stanley Modern Slavery and Human Trafficking Statement – Financial Year 2022

This Statement is being published in accordance with Section 54 of the United Kingdom’s Modern Slavery Act 2015 and Section 16 of Australia’s Modern Slavery Act 2018 (Cth).¹ It outlines the steps taken by Morgan Stanley² during the 2022 financial year to address the risk of modern slavery³ in its own operations or of the suppliers of Morgan Stanley and its consolidated subsidiaries, as well as Morgan Stanley’s future plans in that regard.

Introduction

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, wealth management and investment management services. With offices in more than 41 countries, the Firm’s employees serve clients worldwide including corporations, governments, institutions, and individuals.

Morgan Stanley procures goods and services from over 14,000 vendors (as of December 31, 2022) with the majority in the US and UK. Key categories of goods and services procured by Morgan Stanley mainly include: IT (Hardware, Software, Telecommunications, etc.), Non-IT (Advertising, Office Machines, Office Supplies, Printing, Travel and Entertainment, etc.), Professional Services (IT-Consulting, Other Professional Services, Outsourced Services, etc.) and Space and Occupancy (Design and Construction, Facilities, Furniture and Fixtures, Security, etc.).

Morgan Stanley is committed to being a responsible corporate citizen, respecting human rights and supporting the protection and advancement of human rights. With operations around the world, Morgan Stanley strives to uphold global standards for responsible business, 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.

Morgan Stanley endeavors to exercise its influence in part by conducting its business operations in ways that attempt to preserve, protect, and promote the full range of human rights, such as those described in the United Nations Universal Declaration of Human Rights (UDHR), the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work (ILO), and the UN Guiding Principles on Business and Human Rights (UNGP).

While this Statement covers the direct operations and suppliers of Morgan Stanley and its consolidated subsidiaries, Morgan Stanley also acknowledges that the Firm’s client and customer base constitutes an additional area of focus; more information can be accessed on its approach to environmental and social risk management, human rights and anti-money laundering in the [Statement on Human Rights](#), the Firm’s [Sustainability Disclosures](#) and [Code of Conduct](#).

¹ Please refer to the section below “Australian Requirements (Additional Information)” for further details required under Australia’s Modern Slavery Act 2018 (Cth).

² References to Morgan Stanley in this document are to Morgan Stanley, a Delaware corporation, and its consolidated subsidiaries, including the entities that are subject to the requirements of Section 54 of the Modern Slavery Act 2015 (UK) and the entities that are subject to the requirements of the Modern Slavery Act 2018 (Cth). These entities are listed in Appendix I.

³ For the purposes of this Statement, the term “Modern Slavery” includes “slavery and human trafficking” as defined in Section 54 of the UK’s Modern Slavery Act 2015 and “modern slavery” as defined in Section 4 of Australia’s Modern Slavery Act 2018 (Cth).

Morgan Stanley's Approach

Morgan Stanley's activities and operations are integrated globally, with core risk management policies and procedures established at a global level. Morgan Stanley has a global Enterprise Risk Management framework that ensures that Morgan Stanley's risks are managed in a sound manner and escalated as appropriate. This includes management of sourcing and outsourcing, supplier selection, franchise risk and environmental and social risk.

In 2022, Morgan Stanley's Modern Slavery Global Executive Committee continued to drive implementation of enhancements to improve its ability to identify modern slavery risks across the organization and assess the effectiveness of its response.

Policies

Morgan Stanley is guided by the rights outlined in the UDHR and in the ILO, and Morgan Stanley expects that its suppliers, affiliates, and partners do the same. Suppliers are expected to comply with Morgan Stanley's Supplier Code of Conduct which outlines Morgan Stanley's expectations that suppliers have appropriate policies in place to ensure they are not complicit in human rights abuses, including modern slavery and human trafficking. The Supplier Code of Conduct reflects Morgan Stanley's core values and Morgan Stanley expects its suppliers to adhere to these values and apply them to how they do business with Morgan Stanley. Fraud, dishonesty, unethical or criminal conduct on the part of any supplier will not be tolerated.

Morgan Stanley's Global Franchise Risk Policy requires heightened sensitivity and review for business activities, operations or projects in countries or locations experiencing human rights abuses. The Firm's approach to environmental and social risk management, including human rights and modern slavery considerations, is set out in the [Environmental and Social Policy Statement](#). As outlined in the Policy Statement, Morgan Stanley will not knowingly engage in transactions where there is evidence of direct involvement in modern slavery, such as forced labor, human trafficking, or harmful or exploitative forms of child labor. Morgan Stanley's Policy Statement is reviewed annually and updated to reflect its current strategy and key developments.

Morgan Stanley has a number of processes in place to assess the effectiveness of its actions to identify and mitigate the risk of modern slavery. With respect to its own workforce, Morgan Stanley regularly reviews representation, hiring, promotion, attrition, compensation, and other key data and leverages that data to identify gaps, shape its strategy and goals and evaluate progress against those goals. All employees must read and acknowledge the Morgan Stanley Code of Conduct annually, which underscores Morgan Stanley's values and its commitment to ensuring a workplace that includes equal opportunity, dignity, and respect, including with respect to its suppliers, affiliates, and partners. Morgan Stanley also has a global Integrity Hotline providing employees and other stakeholders, including suppliers, with a mechanism to report concerns regarding potentially unlawful, improper, or questionable conduct.

Due Diligence Process

Suppliers of Morgan Stanley and its Consolidated Subsidiaries

Morgan Stanley's supplier due diligence program, using a risk-based approach, assesses risks associated with third-party suppliers, their employees, and their executives. Relevant due diligence assessments are conducted by Morgan Stanley's Corporate Security Department on a cyclical basis using standard third-party databases and open-source research and range from a search and analysis of online public records, including significant litigation and regulatory actions for high-risk suppliers to a negative media search for suppliers determined in prior assessments to be low risk. The reviews endeavor to identify the potential for risks associated with human rights and other social and/or environmental issues. Where appropriate, potential issues are escalated to senior management.

Given the nature of the services provided by Morgan Stanley, the skilled nature of its workers, and the level of

transparency and oversight Morgan Stanley has over its direct workforce and operations, it considers there is a low risk of modern slavery in its operations. The Firm's greatest potential areas of risk of involvement with modern slavery is through its supplier relationships and other third-party relationships.

The suppliers of Morgan Stanley and its consolidated subsidiaries include, but are not limited to, the following key Sourcing areas which were identified by an Environmental, Social & Governance specialized consulting firm hired by Morgan Stanley, that present a relatively higher risk of modern slavery and human trafficking:

- IT Products and Services – Hardware, Software and Telecommunications Equipment;
- Non-IT Products and Services – Advertising, Office Machines & Supplies, Premiums & Corporate Gifts, and Printing;
- Professional Services – IT Consulting, Outsourcing, Project Consulting, and Temporary Staffing; and
- Space and Occupancy – Amenities, Design and Construction, Facilities, and Furniture and Fixtures.

In 2022 Morgan Stanley's supplier due diligence program did not identify any issues related to modern slavery or human trafficking.

Client Transactions

As outlined in Morgan Stanley's Environmental and Social Policy Statement, its due diligence and risk management processes are designed to identify and assess potentially significant environmental and social issues that may impact the firm, its clients, and other stakeholders. Business Units and internal control groups refer transactions to the Environmental and Social Risk Management Group (ESRM) for due diligence when a transaction involves specific sectors or when potential environmental or social issues are identified that may pose franchise risk to Morgan Stanley. In conducting its assessment, ESRM may consider a number of sources of information, including, but not limited to, company information available in the public domain (such as sustainability or corporate social responsibility reports), reports by independent agencies, technical and engineering reports, and company responses to due diligence questions.

Potential human rights issues (related to a company's suppliers) are considered in Morgan Stanley's due diligence processes as appropriate. Due diligence considerations include review of clients' relevant policies, procedures, and controls in place to prevent or mitigate modern slavery risks including forced and child labor and human trafficking within their operations and suppliers. Areas of potential heightened human rights risk undergo enhanced due diligence (including engagement with clients to further assess their risk management and remediation approaches) and may require escalation to senior management.

Additionally, within its Investment Management business, Morgan Stanley recognizes that risks relating to various sustainability factors such as labor retention, supplier disruption, and human rights violations can pose actual or potential material risks to its investments at the individual asset and portfolio levels. Furthermore, given its role as a global investment manager, Morgan Stanley acknowledges that an unintended consequence of some of its investments may include some level of adverse impact on broader systemic sustainability factors such as social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. The Morgan Stanley Investment Management Sustainable Investing Policy outlines how Morgan Stanley looks to identify, understand, and mitigate such potential sustainability risks in its portfolios, and also how it aims to reduce potential adverse impacts through a combination of actions, including investment teams' engagement with investee management, its global stewardship program, its thematic research, and its collaborative efforts in the broader investment industry.

Morgan Stanley is committed to combating financial crimes and its Global Financial Crimes policies and standards are designed to enable Morgan Stanley to comply with all relevant laws and regulations as well as industry guidance and best practice. Throughout the client lifecycle Morgan Stanley deploys methods to detect and disrupt modern slavery and human trafficking, including using client screening technologies (such as adverse media) to identify

relevant risk factors and escalate them to financial crimes teams. In addition, Morgan Stanley's country risk analysis, which includes human rights and modern slavery factors, underpins its financial crime risk management framework, directly influencing outcomes of processes such as transaction monitoring and client risk rating.

Activities in 2022

In addition to the steps delineated in its 2021 statement, in 2022 Morgan Stanley took the following steps to familiarize both its employees and its suppliers with the goals and requirements of both Modern Slavery Acts:

- Conducted a mandatory Global Financial Crimes training for all employees, that included a focused section on human trafficking and forced labor;
- Continued to train its employees on modern slavery risks by hiring an external law firm to provide specific sessions on the identification of slavery and human trafficking within financial services firms to the Firmwide Sourcing team, representatives from Legal and Compliance and Investment Management;
- In 2021, a specialist external consulting firm was hired to perform a comprehensive modern slavery risk assessment, involving a review of Morgan Stanley's global products and services related to the suppliers of Morgan Stanley and its consolidated subsidiaries. The results of this risk assessment was reviewed in 2022 with the Sustainability Sourcing Committee to develop next steps;
- Continued to integrate human rights and modern slavery considerations into Morgan Stanley's environmental and social risk due diligence processes related to transactions and portfolio investments;
- Participated in an external industry roundtable event to review the current state of modern slavery and human trafficking, with a focus on evolving trends in sanctions and penalties, reporting and human rights due diligence; and
- Updated the [Supplier Code of Conduct](#) with the 2021 Modern Slavery Statement, to ensure the most up to date Statement continues to be incorporated into agreements with its suppliers.

Ongoing Plans

In the financial year ending December 31, 2023, in addition to the continuing steps set out above, Morgan Stanley intends to continue its efforts to reduce the risk of slavery and human trafficking occurring within its operations or the suppliers of Morgan Stanley and its consolidated subsidiaries by taking the following steps:

- Continuing to provide modern slavery and human trafficking training sessions to various groups and senior leaders within Morgan Stanley;
- Following the modern slavery risk assessment referred to in the activities section above, implement any applicable recommendations;
- Continuing to engage in external roundtables with other financial institutions to discuss the developing trends and emerging issues related to modern slavery and human trafficking;
- Continuing to integrate human rights and modern slavery considerations into its environmental and social risk due diligence processes; and
- Updating the Supplier Code of Conduct with the 2022 Modern Slavery Statement, to ensure the most up to date Statement continues to be incorporated into agreements with its suppliers.

Australian Requirements (Additional Information)

For the purposes of Australia's Modern Slavery Act 2018 (Cth), Morgan Stanley Australia Limited, Morgan Stanley Australia Securities Limited, Morgan Stanley Wealth Management Australia Pty Ltd and Morgan Stanley (Australia) Securities Holdings Pty Limited (together, the **Australian Reporting Entities**) are reporting entities covered by this Statement. The Australian Reporting Entities are Australian incorporated entities which are wholly owned subsidiaries of Morgan Stanley and sit within the business units described above.

This Statement outlines the actions the Australian Reporting Entities have taken (consistent with Morgan Stanley's

global policies and processes described in this Statement) to identify and mitigate the risks of modern slavery occurring in their operations and the suppliers of Morgan Stanley and its consolidated subsidiaries.

Consultation in relation to this Statement was undertaken between the Australian Reporting Entities and also by the Australian Reporting Entities with their respective controlled entities. This was done by circulating it to, and seeking input from, a working group responsible for Morgan Stanley’s anti-modern slavery program. This Statement was also reviewed by the regional Morgan Stanley executives responsible for oversight of the Australian Reporting Entities and their controlled entities.

This Statement has been approved by the Board of Directors of Morgan Stanley on April 26, 2023.

Signed by:

A handwritten signature in black ink that reads "James P. Gorman". The signature is written in a cursive style with a large, sweeping initial "J".

James P. Gorman
Chairman and Chief Executive Officer

APPENDIX I

United Kingdom Reporting Entities:

- Morgan Stanley & Co. International plc (UK company registration number 02068222);
- Morgan Stanley Investment Management Ltd (UK company registration number 01981121);
- Morgan Stanley UK Group (UK company registration number 01281415);
- Morgan Stanley UK Limited (UK company registration number 04071123);
- Morgan Stanley Employment Services UK Ltd. (UK company registration number 05065987);
- Morgan Stanley International Limited (company registration number 03584019); and
- Eaton Vance Advisers International Ltd. (company registration number 09570877).

Australian Reporting Entities:

- Morgan Stanley Australia Limited;
- Morgan Stanley Australia Securities Limited;
- Morgan Stanley Wealth Management Australia Pty Ltd; and
- Morgan Stanley (Australia) Securities Holdings Pty Limited.

APPENDIX II

Previous Morgan Stanley Statements:

2021 Modern Slavery and Human Trafficking Statement:

https://www.morganstanley.com/about-us-governance/pdf/Modern_Slavery_2021_Statement.pdf

2020 Modern Slavery and Human Trafficking Statement:

https://www.morganstanley.com/about-us-governance/pdf/Modern_Slavery_2020_Statement.pdf

2019 Modern Slavery and Human Trafficking Statement:

https://www.morganstanley.com/about-us-governance/pdf/Modern_Slavery_2019_Statement.pdf

2018 Modern Slavery and Human Trafficking Statement:

https://www.morganstanley.com/about-us-governance/pdf/Modern_Slavery_2018_Statement.pdf

2017 Modern Slavery and Human Trafficking Statement:

https://www.morganstanley.com/about-us-governance/pdf/Modern_Slavery_2017_Statement_Signed.pdf

2016 Modern Slavery and Human Trafficking Statement:

<https://www.morganstanley.com/about-us-governance/pdf/Modern-Slavery-Statement-6-9-2017-signed.pdf>