

Morgan Stanley Modern Slavery and Human Trafficking Statement – Financial Year 2023

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 and Section 11 of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (referred to herein collectively as the “Modern Slavery Acts”). This Statement outlines the steps taken by Morgan Stanley² during the 2023 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, headquartered in New York City, providing a wide range of investment banking, securities, wealth management and investment management services. With offices in 42 countries, the Firm’s employees serve clients worldwide including corporations, governments, institutions, and individuals.

Morgan Stanley procures goods and services from over 13,000 vendors (as of December 31, 2023) 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.⁴

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 FPRW), and the UN Guiding Principles on Business and Human Rights (UNGPR).

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 [Environmental and Social Policy Statement](#), [Supplier Code of Conduct](#), [Statement on Human Rights](#), the Firm’s [Sustainability Disclosures](#) and [Code of Conduct](#).

¹Please refer to the section below “Australian Requirements (Additional Information)” and “Canadian Requirements (Additional Information)” for further details required under Australia’s Modern Slavery Act 2018 (Cth) and Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act.

²References 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 each of the Modern Slavery Acts. These entities are listed in Appendix I.

³For 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, “modern slavery” as defined in Section 4 of Australia’s Modern Slavery Act 2018 (Cth) and “forced labour” and “child labour” as defined in Section 2 of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act.

⁴Harmful or exploitative forms of child labor are defined as work that is economically exploitative, is likely to deprive children of their childhood, their potential, and their dignity, and is mentally, physically, socially, or morally dangerous and harmful to children. This is consistent with the definition of “child labor” by the International Labour Organization.

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 2023, Morgan Stanley's Modern Slavery Global Executive Committee continued to focus on improving Morgan Stanley's 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 FPRW, 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 Policy specifically refers to the risk of involvement in modern slavery (such as forced labour, human trafficking, or harmful or exploitative forms of child labour) and activities prohibited or requiring additional risk assessment and scrutiny under the Morgan Stanley Environmental and Social Policy Statement ("ESPS"), the Morgan Stanley Human Rights Statement and this Statement as examples of potential red flags that may be indicative of significant franchise risk.

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 and track concerns regarding potentially unlawful, improper, or questionable conduct. In addition, Morgan Stanley policies related to modern slavery risk mitigation are subject to periodic review.

Due Diligence Process

Suppliers of Morgan Stanley and its Consolidated Subsidiaries

Morgan Stanley's supplier program utilizes a risk-based approach to identify suppliers for enhanced due diligence by assessing the risks associated with third party suppliers, their employees and 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.

An Environmental, Social & Governance specialized consulting firm hired by Morgan Stanley identified key sourcing areas that present a relatively higher risk of modern slavery and human trafficking for suppliers of Morgan Stanley and its consolidated subsidiaries. These areas include:

- 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.

To the best of our knowledge Morgan Stanley does not believe any of our suppliers have engaged in Modern Slavery Act violations.

Client Transactions

As outlined in Morgan Stanley’s ESPS, 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 functions 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, including within a company’s supply chain are considered in Morgan Stanley’s due diligence processes as appropriate. Areas of heightened human rights risks including modern slavery undergo due diligence and may be escalated to senior management. Due diligence considerations may 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 supply chains.

Additionally, within its Investment Management (“MSIM”) business, Morgan Stanley recognizes that risks relating to various sustainability factors such as labor retention, supply chain disruption, and human rights violations can pose actual or potential material risks to its investments at the individual asset and portfolio levels. MSIM recognizes that the universe of relevant risks may grow and evolve over time as the universe of sustainability factors considered relevant to the investment industry evolves. The materiality of such risks to an individual asset and to a portfolio as a whole depends on industry, country, asset class, and investment approach. The MSIM Sustainable Investing Policy outlines how MSIM looks to identify, understand, and mitigate such potential sustainability risks in its portfolios. Please see the [MSIM Sustainable Investing Policy](#) for more details.

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 (and/or other stakeholders as applicable, based on the negative news identified). 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 2023

In addition to the steps delineated in its 2022 statement, Morgan Stanley took the following steps in 2023 to prevent and reduce potential modern slavery risks (including human trafficking, forced labor, and child labor risks) related to suppliers of Morgan Stanley and its consolidated subsidiaries and familiarize both its employees and its suppliers with the goals and requirements of the Modern Slavery Acts:

- Continued to train its employees on modern slavery risks by hiring an external law firm to provide specific

sessions on the identification of modern slavery and human trafficking within financial services firms. In 2023, our training program included participation from Institutional Securities, Investment Management, members of the Australian entities' Boards and Legal and Compliance;

- Developed a plan to enhance our ESG-related third party due diligence practices, including in respect of modern slavery risks;
- 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;
- Engaged with external parties to discuss global regulatory requirements, developing trends and emerging issues related to modern slavery and human trafficking; and
- Updated 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 Morgan Stanley's suppliers.

Ongoing Plans

In the financial year ending December 31, 2024, 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;
- Commence implementation of planned enhancements to ESG-related third party due diligence practices;
- Continuing to engage with external parties to better understand developing trends and emerging issues related to human rights including modern slavery and human trafficking risks;
- 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 2023 Modern Slavery Statement, to ensure the most up to date Statement continues to be incorporated into agreements with Morgan Stanley's suppliers.

Australian Requirements (Additional Information)

Morgan Stanley's reporting entities within the meaning of section 5(1) of Australia's Modern Slavery Act 2018 (Cth) are listed in Appendix I to this Statement (together, the "Australian Reporting Entities"). 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.

Canadian Requirements (Additional Information)

For purposes of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Canada Act"), this joint report is prepared and approved pursuant to subparagraph (4)(b)(ii) of the Canada Act on behalf of Morgan Stanley, Morgan Stanley Capital Group Inc. ("MSCGI"), Morgan Stanley Domestic Holdings, LLC ("MSDH"), and Morgan Stanley Capital Management, LLC ("MSCM") (together, the "Canadian Reporting Entities").

Each of the Canadian Reporting Entities was formed under the laws of the State of Delaware and meets the entity size

threshold under the Canada Act by, on a consolidated basis with its respective subsidiaries, having held at least \$20 million (CAD) in assets for at least one of its two most recent financial years and having generated at least \$40 million (CAD) in revenue for at least one of its two most recent financial years. MSCGI is controlled by MSDH, which is controlled by MSCM, which is controlled by Morgan Stanley.

Through MSCGI, the Canadian Reporting Entities engage in sales and trading activities across the energy, metals, and agricultural commodity sectors. MSCGI trades in physical commodities, and makes markets in derivative instruments including swaps, options, and listed contracts. With respect to Canada, MSCGI's business consists of sales and trading in Canada of natural gas, electricity, and metals. In support of this business, MSCGI imports electricity into Canada including during the 2023 reporting year. MSCGI did not import natural gas or metals into Canada during the 2023 reporting year.


The commodities that MSCGI transacts in Canada are sourced in North America from all forms of organizations engaged in North American commodities industries, including, producers; processors; refiners; utilities; energy and commodity merchants; transmission, transportation, and storage providers; financial institutions; and commercial and industrial entities. Although MSCGI sources commodities from such entities, the energy commodities, and unallocated metals that MSCGI actually receives are delivered to MSCGI from a commingled stream of MSCGI and non-MSCGI suppliers at trading hubs or other delivery points.

In relation to sub-section 11(3)(d) and (e) of the Canada Act, as Morgan Stanley is not aware of any use of forced labor or child labor in the Canadian Reporting Entities' activities and supply chains during the 2023 financial year, it was not relevant for the Canadian Reporting Entities to remediate such use, or to remediate the loss of income to the most vulnerable families resulting from measures taken to eliminate such use.

This Statement has been approved by the Board of Directors of Morgan Stanley on April 24, 2024.

In accordance with the requirements of the Modern Slavery Acts, I attest that I have reviewed the information contained in this Statement for the entities listed in Appendix I. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Statement is true, accurate and complete in all material respects for the purposes of the Modern Slavery Acts for the 2023 financial year.

Signed by:



James P. Gorman
Chairman of the Board
I have the authority to bind Morgan Stanley.

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 Bank International Limited (UK company registration number 03722571); and
- Eaton Vance Advisers International Ltd. (UK 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.

Canadian Reporting Entities:

- Morgan Stanley;
- Morgan Stanley Capital Group Inc. (Canada Revenue Agency business number 138847140);
- Morgan Stanley Domestic Holdings, LLC; and
- Morgan Stanley Capital Management, LLC.

APPENDIX II

Previous Morgan Stanley Statements:

2022 Modern Slavery and Human Trafficking Statement:

https://www.morganstanley.com/content/dam/msdotcom/en/about-us-governance/pdf/Modern_Slavery_2022_Statement.pdf

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>