

## **Morgan Stanley Modern Slavery and Human Trafficking Statement – Financial Year 2018**

This Statement is being published in accordance with Section 54 of the Modern Slavery Act 2015. It outlines the steps taken by Morgan Stanley<sup>1</sup> during the 2018 financial year to ensure that modern slavery<sup>2</sup> is not taking place in any part of our own operations or, to the maximum extent possible, in any of our supply chains, as well as our future plans in that regard. This Statement applies to the global operations and supply chain of Morgan Stanley and our consolidated subsidiaries.

### **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's employees procure goods and services from Morgan Stanley's supply chain, which is made up of over 13,000 vendors (as of December 31, 2018) with the majority in the US and UK.

Morgan Stanley is committed to supporting the protection and advancement of human rights in our business and throughout our supply chain. With operations around the world, we strive to uphold global standards for responsible business, including equal opportunity, freedom to associate and bargain collectively, and the elimination of child and forced labor. We endeavor to exercise our influence in part by conducting our 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, and the UN Guiding Principles on Business and Human Rights.

While this Statement covers our direct operations and supply chain, we acknowledge that our client and customer base may constitute an additional area of focus; you can access more information on our approach to environmental and social risk management, human rights and anti-money laundering in our [Environmental Policy Statement](#), [Statement on Human Rights](#), [Code of Conduct](#) and [2018 Sustainability Report](#).

### **Our Approach**

Morgan Stanley's activities and operations are integrated globally, with core risk management policies and procedures established at a global level. Morgan Stanley's holding company board has established an 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 2018, Morgan Stanley's dedicated Modern Slavery Executive Global Committee continued to oversee all activities related to the Modern Slavery Act, including any concerns regarding our supply chain. This was in addition to the global, cross functional working group that was created in 2016 to plan compliance with the Modern Slavery Act and implementation of enhancements to improve our ability to identify modern slavery risks.

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<sup>1</sup> References to Morgan Stanley in this document are to Morgan Stanley, a Delaware corporation, and its consolidated subsidiaries, including the following entities that fall within the thresholds of Section 54 of the Modern Slavery Act 2015: 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 Investment Management (ACD) Ltd. (UK company registration number 04250833); Morgan Stanley Bank International Ltd (UK company registration number 03722571).

<sup>2</sup>"Modern Slavery" means "slavery and human trafficking" as defined in Section 54 of the Modern Slavery Act 2015.

### *Policies*

Morgan Stanley is guided by the rights outlined in the UDHR and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and Morgan Stanley expects that its suppliers, affiliates and partners do the same. All employees must read and acknowledge the Morgan Stanley Code of Conduct annually, which underscores our values and our commitment to ensuring a workplace that includes equal opportunity, dignity and respect, including with respect to our suppliers, affiliates and partners.

In addition, Morgan Stanley's existing Global Franchise Risk and Global Environmental and Social Risk Policies outline requirements for heightened sensitivity and review where business activities or operations may be at high risk of exposure to human rights abuses. For more information on our Environmental and Social Policies, please visit the [corporate governance page](#) of our website.

Morgan Stanley also has a global Integrity Hotline providing employees with a mechanism to report concerns regarding potentially unlawful, improper or questionable conduct, including with regard to vendors or other third parties.

### *Due Diligence Process*

Morgan Stanley's vendor due diligence program, using a risk based approach, assesses risks associated with third party suppliers. In 2018, reviews were conducted for over 2,250 suppliers. Reviews ranged 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 identify, among other things, potential for risks associated with human rights and other social and/or environmental issues. Where appropriate, potential issues are escalated to senior management.

In addition to the steps stated in our 2017 statement, in 2018, Morgan Stanley took the following steps to familiarize both our employees and our suppliers with the goals and requirements of the Modern Slavery Act:

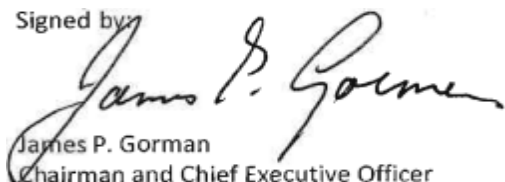
- *We reviewed our supply chain by spend and category of goods/services provided, and submitted a Corporate Social Responsibility (CSR) survey to over 300 suppliers and included questions related to Modern Slavery & Human Trafficking;*
- *We developed a Morgan Stanley [Supplier Code of Conduct](#), which includes provisions on Modern Slavery and Human Trafficking;*
- *We created a [Sourcing Guidelines and Information](#) external website and included our Modern Slavery Statement;*
- *We conducted global training sessions with our Corporate Services group, providing an overview of the Modern Slavery Act and the Morgan Stanley 2017 Statement; and*
- *We continue to incorporate contract language referencing compliance with the obligations of the Act.*

### *Ongoing Plans*

*In the financial year ending December 31, 2019, in addition to the steps set out above, we intend to continue to work on reducing the risk of there being modern slavery and human trafficking in our operations or supply chain by taking the following steps:*

- *We will continue to provide training to internal groups; and*
- *We will evaluate the (CSR) survey results and conduct further due diligence on any suppliers with concerning responses related to human rights.*

This Statement has been approved by the Board of Directors of Morgan Stanley on June 10, 2019.

Signed by:  
  
James P. Gorman  
Chairman and Chief Executive Officer