



WHEREAS: As long-term stockholders, we favor policies and practices that protect and enhance the value of our company's investments. There is increasing recognition that violations of indigenous peoples' rights presents risks for the Company that can adversely affect shareholder value, including reputational damage, project delays and disruptions, litigation, and criminal charges.

The United Nations Guiding Principles on Business and Human Rights urges that "business enterprises should have ... a policy commitment to meet their responsibility to respect human rights... [and] should respect the human rights of individuals belonging to specific groups or populations that require particular attention, where they may have adverse human rights impacts on them. . . ."

Morgan Stanley has an indigenous rights policy applicable to the financing of specific projects in indigenous territories. The policy requires a project sponsor or borrower demonstrate, among other things, that a project has free, prior, and informed consent by affected indigenous peoples, and that the project avoids, reduces, or compensates for significant adverse impacts on traditional or customary lands under use by indigenous peoples. However, Morgan Stanley's policy does not address the broader financing of companies that may become involved in projects located in indigenous territories.

Morgan Stanley is financing three companies -- Sunoco Logistics, Energy Transfer Partners, and Energy Transfer Equity -- which have collaborated to build the North Dakota Access Pipeline across Native American lands and waterways in North Dakota. The oil pipeline's construction is opposed by Native Americans and allies who have requested that the pipeline be rerouted to protect water quality. The pipeline was previously rerouted around a non-Native American community near Bismark, North Dakota due to the threat it posed to that community's water supply. (Bismark Tribune, August 2016)

In late 2016, police forces and private security began committing human rights abuses against nonviolent protesters of the project:

- Spraying nonviolent protestors with water in freezing temperatures, risking hypothermia.
- Using exploding devices resulting in physical harm to nonviolent protestors, including the amputation of an arm.
- Arrests and suppression of free speech of news media covering the protest.
- Mass arrests of protestors and use of excessive force.

RESOLVED Shareholders request that Morgan Stanley prepare a report, at reasonable expense and excluding proprietary or legally privileged information, assessing how its indigenous rights policy could be extended to the financing of companies involved in energy, mining, oil and gas, and infrastructure (including pipelines, dams, roads, railroads) operations, where such companies are currently, or might in the future be, involved in projects located in indigenous territories, even if those projects are not directly financed by our company. Policy options considered in the report should include, for instance, review of the financed companies' due diligence policies or practices for consistency with Morgan Stanley's project-financing commitments such as consent and impact avoidance and mitigation.