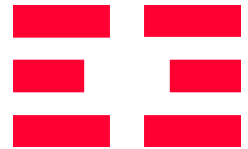




# Morningstar

Locations: Illinois (HQ)  
Industries: Diversified Financials

## RISK LEVEL:



High Risk

### DESCRIPTION:

Morningstar is a financial services firm headquartered in Chicago. It has not publicly terminated business relationships based on views or beliefs. Morningstar scored a 100 on the 2023 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. By complying with Human Rights Campaign's controversial demands, Morningstar increases the risk of dividing employees, alienating customers and harming shareholders. The company covers transgender-related medical costs for its employees and their children and provides specific sexual orientation and gender identity-based benefits. It also uses sex and gender ideology criteria in employee recruitment, vendor selection, marketing, and philanthropic support. Morningstar forces employees to undergo multiple ideological trainings and uses its reputation, corporate funds, and political influence to support controversial sex and gender ideologies, organizations, and legislation. The company provides a benefits package for employees which covers travel/lodging costs for an abortion and transgender medical procedures for covered employees and dependents, including children. Morningstar does not provide its employees with protections against viewpoint discrimination. Morningstar utilizes ESG criteria for investing and has recently experienced discriminatory issues with its ESG reporting services related to biases against Israelis and Jews, triggering investigations into the firm. Morningstar offers potential client's advice on how to avoid certain industries, such as fossil fuels or firearms, in portfolios. The company advocates against state-level election integrity measures and is part of Glasgow's Net Zero Alliance. Morningstar discriminates against religious organizations in its charitable giving and supports and funds LGBTQ causes and organizations. For these reasons, Morningstar earns a High Risk rating.

### Corporate Weaponization

**Has denied service to customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries.** **High Risk**

Morningstar received a score of 100 on the 2023 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. The company recruits employees based on sexual identity issues. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (1)(2). Sustainalytics, the ESG reporting arm of Morningstar, received criticism in 2022 for its "Human Rights Radar" product, which an independent review found unfairly targeted Israeli businesses and investments relative to those in other high-risk regions (3)(4). Morningstar terminated the product, apologized, and took multiple steps to bolster its corporate transparency. The Texas Attorney General investigated Morningstar for this development (5). In July 2023, Morningstar reportedly removed the controversy tag from 19 companies that it had labeled as controversial for doing business in Israel and the West Bank, leaving the tag on 7 of the 26 companies it had previously labeled for this "controversy" (6). Morningstar offers advice and strategies for avoiding investments in industries such as fossil fuels and firearms (7)(8)(9).

**Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. High Risk**

Morningstar(1)(2). Morningstar uses Benevity, which disqualifies donations to religious organizations and partners with the SPLC, for its donation matching program (3).

**Employment policies fail to protect against discrimination based on political affiliation/views and/or religion. High Risk**

Morningstar indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and a specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). Morningstar does not provide viewpoint protections for its employees (3). Morningstar's CEO signed the CEO Action for Diversity & Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace(4)(5).

## Corporate Governance and Public Policy

**Uses corporate reputation to support ideological causes and/or organizations hostile to freedom of expression. High Risk**

Morningstar indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy (1)(2).customers and harming shareholders. The company signed an open letter in support of the Equality Act (3)(4)(5). Morningstar is a member of the Net Zero Financial Service Providers Alliance, committed to net zero carbon emissions by 2050 (6).

**Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. High Risk**

1)(2)(3). The company indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology (4)(5).customers and harming shareholders. The company is a corporate partner of the National LGBT Chamber of Commerce (6).

**Uses corporate political contributions for ideological, non-business purposes. High Risk**

Morningstar indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives (1)(2). By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders. Morningstar does not operate a PAC or report on its lobbying at this time (3)(4)(5).

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