

Morgan Stanley

Morgan Stanley (E-Trade)

Subsidiaries: Parametric, E-Trade, Eaton Vance Corporation

Locations: New York (HQ)

Industries: Banks, Diversified Financials

RISK LEVEL:



High Risk

DESCRIPTION:

Morgan Stanley, an investment bank and wealth management firm, will not fund some oil and gas projects or certain businesses dealing with firearms or ammunition. Morgan Stanley 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, Morgan Stanley 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. Morgan Stanley 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. However, it does not provide viewpoint protections for its employees. Morgan Stanley supports the Equality Act and its CEO signed the CEO Action for Diversity and Inclusion pledge. The company is a platinum partner of the Human Rights Campaign (HRC) and a corporate partner of the National LGBT Chamber of Commerce (NGLCC). America First Legal filed a letter with the EEOC requesting a civil rights investigation into Morgan Stanley over discriminatory practices in intern recruitment. Morgan Stanley is part of Glasgow's Net Zero Alliance, committed to carbon neutrality by 2050, and a signatory of the Business Roundtable's 2019 Statement on the Purpose of Corporation, which promotes stakeholder capitalism. The company discriminates against religious organizations in its charitable giving and has donated to the Equality PAC. Morgan Stanley is a member of the MCCA, indicating its focus on recruiting, retaining, and promoting employees based on race. The company is a Corporate Member of the Mid-America LGBT Chamber of Commerce. Morgan Stanley is a signatory to the CFA Institute's Diversity, Equity, and Inclusion Code, indicating its support of DEI in its recruitment, hiring, onboarding, and promotions. Furthermore, the company pledges to integrate DEI into its policies, promote DEI in the investment industry, and provide regular reporting on its DEI metrics to the CFA Institute. For these reasons, Morgan Stanley receives a High Risk rating. This rating applies to E*Trade, a subsidiary of Morgan Stanley.

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**

Morgan Stanley 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). The company restricts its funding to oil and gas projects and would not pledge to end this discrimination when pressed by the Treasurer of West

Virginia (3). Morgan Stanley will also not fund certain legal guns and ammunition dealers (4). The company is a signatory of the Principles for Responsible Investment, incorporating ESG issues into investment analysis, decision-making, and other business practices (5)(6).

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

Morgan Stanley(1)(2). Morgan Stanley will not fund "religious organizations" (3).

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

Morgan Stanley 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). The company's CEO signed the CEO Action for Diversity & Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace (3). Morgan Stanley does not provide viewpoint protections for its employees (4). America First Legal filed a letter with the EEOC requesting a civil rights investigation into Morgan Stanley over discriminatory practices in intern recruitment (5)(6).

Corporate Governance and Public Policy

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

Morgan Stanley indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy (1)(2). By doing so, the company risks dividing employees, alienating customers. Morgan Stanley signed an open letter in support of the Equality Act (3). The company has a history of LGBTQ advocacy, supporting amicus briefs overturning the Defense of Marriage Act (2013 and 2015) and supporting expanding Civil Rights Protections for sexual orientation (4). Morgan Stanley is part of the Net Zero Banking Alliance and a PCAF member, committed to net zero carbon emissions by 2050 (5)(6)(7). CEO James Gorman is a member of the Business Roundtable and signed its 2019 Statement on the Purpose of Corporation, which promotes stakeholder capitalism over traditional obligations to shareholders and customers (8)(9). Subsidiary Parametric is a member of the Climate Action 100+ and Ceres Network, which aim to proliferate climate action and ESG practices in the finance industry, respectively (10)(11). In the wake of backlash against DEI, Morgan Stanley dropped its diverse representation section in its annual 10-K filing (12)(13)(14)(15).

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

Morgan Stanley 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 (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 Platinum partner of the Human Rights Campaign and a corporate partner of the NGLCC (6)(7). Morgan Stanley has also donated and encouraged clients to support racial justice organizations, including, Black Lives Matter, Color

of Change, and the American Civil Liberties Union (8)(9). The company is a member of the MCCA, indicating its focus on recruiting, retaining, and promoting employees based on race (10)(11). Morgan Stanley is a Corporate Member of the Mid-America LGBT Chamber of Commerce (12)(13).

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

High Risk

Morgan Stanley 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. Morgan Stanley donated to the Equality PAC (3)(4)(5).

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