



OFFICE OF THE  
**ARIZONA STATE TREASURER**



**KIMBERLY YEE**  
TREASURER

**FOR IMMEDIATE RELEASE**  
**October 31, 2022**

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**Arizona Treasurer Kimberly Yee Continues Investigation of Morningstar Inc. for  
Discriminatory Efforts Against Israel Using ESG Ratings**

**PHOENIX, AZ** – On August 18, 2022, Arizona Treasurer Kimberly Yee notified Morningstar Inc. that they were at risk of being placed on the Arizona Treasury’s prohibited investment list for violating Arizona law by actively boycotting the State of Israel. Read Treasurer Yee’s letter to Morningstar Inc.’s CEO, Kunal Kapoor, [here](#).

Arizona law (Arizona Revised Statutes §35-393 et seq.) is clear. A public entity or public fund may not enter a contract or directly invest moneys with a person or company that is engaged in boycotting Israel. In Treasurer Yee’s letter to Mr. Kapoor, she informed him that the company had 30 days to provide written certification explaining how Morningstar’s usage of ESG ratings do not violate Arizona’s anti-boycott statute. Morningstar issued a response stating that neither they or its affiliated Sustainalytics entity engage in activities that violate Arizona’s anti-BDS law.

Despite this previous certification, with continued pressure from Arizona Treasurer Kimberly Yee, the Arizona Treasury and other public funds, Morningstar Inc. has now made a public announcement that they will be issuing changes to their Israel ratings.

“While I am pleased that Morningstar is taking steps to alter its risk ratings for companies doing business in and with Israel, my office has not concluded our internal investigation,” said Arizona Treasurer Kimberly Yee. “Morningstar has failed to provide my office with the simple access to data we have requested, and I will continue to hold them accountable until our investigation is complete. It is my duty to defend Arizona’s anti-BDS law and I will ensure that Arizona does not do business with companies that are attempting to undermine Israel’s economy.”

The Office of the Arizona State Treasurer is working with legal counsel to fully investigate the ESG rating practices of Morningstar and Sustainalytics. The Office will remain transparent through this process and provide an update at the conclusion of the investigation.

“I will continue to put pressure on Morningstar and denounce any company that attempts to discriminate against the people of Israel,” said Arizona Treasurer Kimberly Yee. “As Arizona’s Chief Banking and Investment Officer, I stand with Israel and will not allow companies to promote policies that are antisemitic and discriminatory against Israel in violation of Arizona law.”

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