



Sustainability Data

People and Workplace

Governance

Business Operations





Sustainability Data

Morningstar is focused on incorporating sustainability and ESG data across our research, solutions, and services and translating sustainability principles into core competencies in our governance, workplace, and business operations.

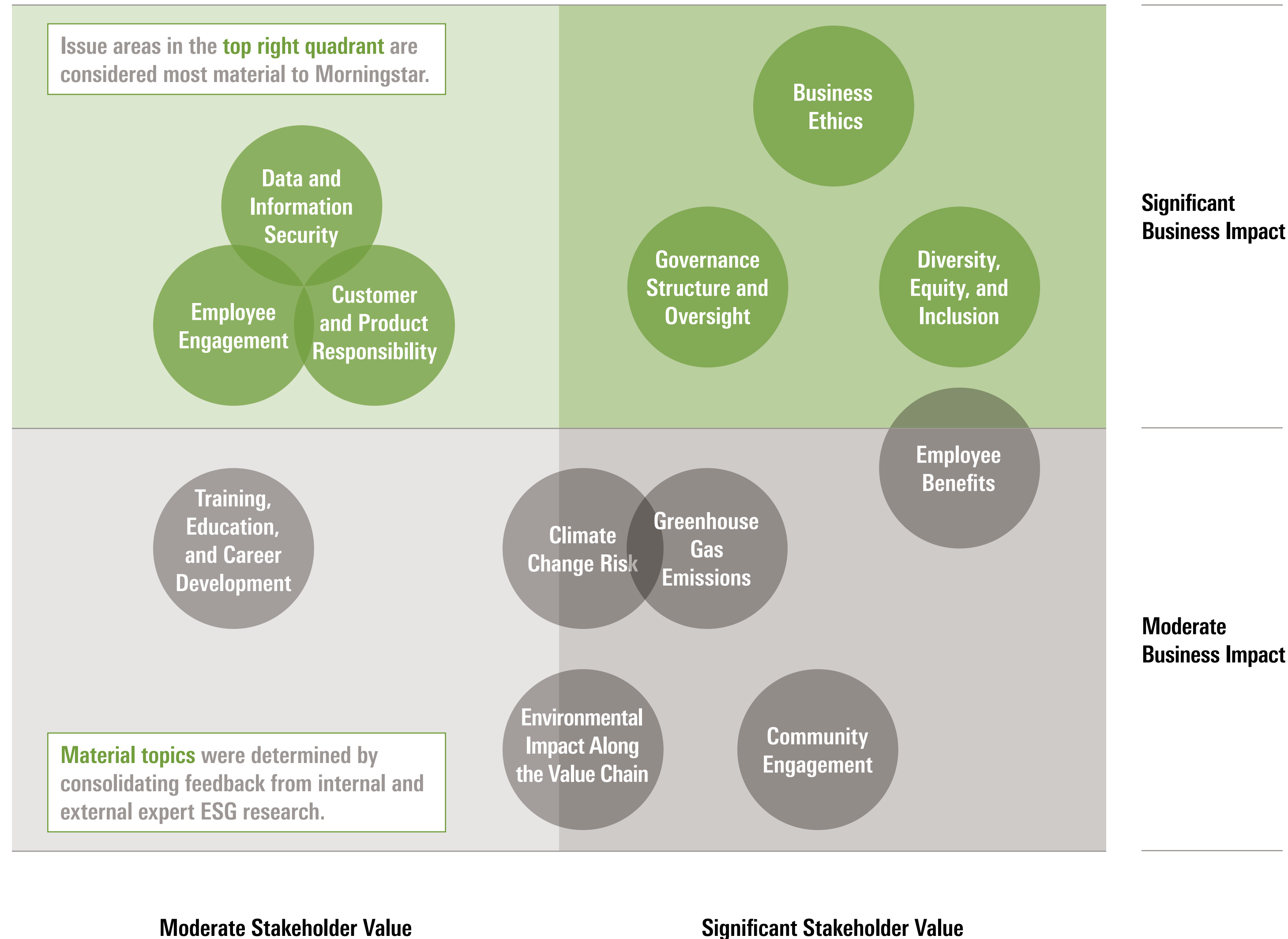
We're applying our own ESG research and tools to our business to prioritize transparency and sustainability in our workplace, our governance, and our business operations. We align our company with the research that indicates that diverse teams make better decisions and that innovation thrives

in a culture of transparency. We align our governance with the practices that our analyst teams have identified with good stewardship, shareholder transparency, and long-term value creation. We pursue a robust, data-driven approach to privacy and security. We seek to measure and reduce our impact on the environment while building innovative investment solutions to address the climate crisis.

Download our full 2021 Morningstar Enterprise Sustainability Report here.



- Material topic
- Additional topics prioritized by employees and stakeholders



This visual represents our understanding of Morningstar’s current MEIs. A topic positioned high on the vertical axis suggests that ESG experts believe the issue is likely to impact Morningstar’s business performance. Values on the right of the graph represent high-priority issues for Morningstar stakeholders. The topics of Business Ethics; Diversity, Equity, and Inclusion; and Governance Structure and Oversight are materially significant to Morningstar’s business performance as well as high-priority issues to Morningstar’s stakeholders.

Morningstar holds these material issues at the center of our strategic planning. Our intention is to report our progress on a regular basis; we look forward to engaging with our stakeholders on these issues. We invite your feedback at EnterpriseSustainability@morningstar.com.

Business Impact: We believe these material ESG issues are likely to impact our immediate business success & performance.

Stakeholder Value: These additional issues matter deeply to Morningstar colleagues and other stakeholders.



People and Workplace

We are committed to fostering an environment and a community in which the talented, driven people who power our mission can excel. We recognize that our success depends on the values and performance of our employees, and we support them in a range of initiatives in the areas of engagement, professional growth, equity, diversity, and inclusion. Our work in this area is primarily designed to reduce risk associated with human capital and with the management of skilled labor through retention and recruitment programs, career development options, and labor relations issues.

Our reporting in this area draws on Sustainalytics' materiality work. We disclose data and information consistent with external standards for reporting, including Sustainable Accounting Standards Board (SASB): SASB SV-PS-330a.1, SV-PS-330a.2, SV-PS-330a.3; and Global Reporting Initiative: GRI 102-8, 405-1, 404-3, 401-1b, 405-2. These datasets are described as relating to the ability of firms to ensure their culture; hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the

makeup of local talent pools and customer base; quantitative measures on diversity including details on board, employee, and management team; information on employees and other workers; the diversity of the governance bodies and employees; and the percentage of employees receiving regular performance and career development reviews. Our report covers 2021 data. In certain cases, we have included 2020 and 2019 data for purposes of comparison.

MEI.13 Human Capital

Human capital focuses on the management of human resources. It includes the management of risks related to scarcity of skilled labor through retention and recruitment programs and includes career development measures such as training programs. Additionally, it includes labor relations issues, such as the management of freedom of association and diversity issues, as well as working hours and minimum wages.

Material topics

- **Employee Engagement**
- **Diversity, Equity, and Inclusion**

Additional topics prioritized by employees and stakeholders

- Employee Benefits
- Training, Education, and Career Development
- Community Engagement



People and Workplace

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div><div>Employee Engagement</div><div>MEI.13 Human Capital</div></div>	Employee Engagement	73%	80%	81%	29
	Percentage of colleagues who report feeling motivated to go above and beyond what’s expected of their role	—	85%	86%	29
	Percentage of colleagues who report being comfortable asking other members of their team for help	—	92%	92%	29
	Percentage of colleagues who report understanding how their work is connected to the company strategy	—	87%	88%	29
	Great Place to Work Score	—	81	84	29
	Employee Turnover Rate	—	12%	18.5%	29
	Voluntary turnover rate	—	—	17.1%	—
	Involuntary turnover rate	—	—	1.4%	—



People and Workplace

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div>Employee Benefits</div>	Percentage of U.S. employees who have completed the U.S. wellness incentive program	—	76%	97%	33
	Percentage of eligible employees taking advantage of sabbatical	29%	19%	24%	33
	Number of eligible employees taking advantage of sabbatical	472	319	457	—
MEI.13 Human Capital	Percentage of colleagues who are shareholders through a compensation or benefit program	—	32%	31%	33
	Percentage of employees taking advantage of shared ownership	—	16%	18%	33
	Percentage of U.S. employees who attest to being fully vaccinated for COVID-19	—	—	92%	33



People and Workplace

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div>Diversity, Equity, and Inclusion</div>	Percentage of female compared with male colleagues (full organization)	—	42%	42%	38
	Percentage of female compared with male colleagues (senior leadership)	—	31%	23% ^{viii}	37
	Percentage of female compared with male colleagues (entry-level or midlevel roles)	—	42%	43%	37
MEI.13 Human Capital	U.S. racial and ethnic diversity (full organization)	—	68% White, 21% Asian, 4% Hispanic, 3% Black, 3% Two or more races, 1% Preferred to Not Answer	68% White, 22% Asian, 5% Hispanic, 3% Black, 2% Two or more races	38
	Morningstar Development Program entry-level metrics by gender identity	—	57% Women; 43% Men	57% Women; 43% Men	39



People and Workplace

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div><div>Diversity, Equity, and Inclusion</div><div>MEI.13 Human Capital</div></div>	Morningstar Development Program entry-level metrics by racial / ethnic identity	—	55% White, 35% Asian, 4% Black, 3% Hispanic, 3% Two or more races	55% White, 29% Asian, 6% Hispanic, 5% Black, 4% Two or more races, 1% Other Pacific Islander	39
	Gender and racial/ethnic identity in executive management	—	—	12% Female; 88% Male; 6% Asian; 6% Did not answer; 88% White	39
	Percentage of females compared with males on the board of directors	—	40%	50%	38
	Percentage of female committee chairs compared with males	—	33%	33%	38
	Number of employee nationalities	—	87	100	38
	Number of languages spoken	—	32	34	40



People and Workplace

Material Issue	Metric	2019	2020	2021	Page No.Reference
<div><div>Diversity, Equity, and Inclusion</div><div>MEI.13 Human Capital</div></div>	Compensation pay gap between male & female employees (unadjusted)	—	—	68.5%	42
	Compensation pay gap between male & female employees (adjusted)	—	—	97.1%	42
	Compensation pay gap between underrepresented minorities (URM) and non under-represented minorities (NURM) in the U.S. (unadjusted)	—	—	79.2%	42
	Compensation pay gap between URM & NURM in the U.S. (adjusted)	—	—	95.9%	42
	Dollar amount spent on pay equity compensation increases	—	—	Over USD 1.5 M	42
	Number of employees who received a pay increase due to the adjusted pay gap analysis	—	—	420 employees	42
	Percentage of employees in each major region	—	—	34% India, 31% U.S., 10% continental Europe, 9% China, 6% Canada, 6% U.K., and remainder in Australia, Asia, and other regions	40



People and Workplace

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div>Training, Education, and Career Development</div> <div>MEI.13 Human Capital</div>	USD amount of cost associated with education programs and mentorship / number of employees	—	Over USD 590	USD 453	45
	Percentage of eligible employees who received a formal talent review	—	96%	98%	45
	Percentage of employees who believe Morningstar is committed to their career development	—	77%	75%	45
	Number of Morningstar Scholars	—	75	80+	46
	Global education stipend spend in 2020	—	USD 1.3 M	USD 1.7 M	46
	Percentage of employees using educational stipend	—	49%	46%	46
	Number of CFAs	—	199	304	46
	Percentage of employees who completed the first DEI training module offered by T&C	—	—	27%	46



People and Workplace

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div>Community Engagement</div>	Total employee donations, company matched donations, and Morningstar donations	—	Over USD 1 M	Over USD 1.7 M	49
	Percentage of employees who were matching gift participants	—	—	51%	49

MEI.13 Human Capital



Governance

We seek to align Morningstar’s governance approach with the practices that our research analyst teams have identified as consistent with good stewardship, shareholder transparency, and long-term value creation. Our work in governance is designed to address the management of general professional ethics, such as the management of corporate finance, intellectual property, and competitive practices. It is designed to address material risk inherent to our position as a financial-services company that issues investment ratings. It includes the cultivation of a majority independent board, characterized by diverse backgrounds and deep industry expertise; and a deliberate approach to shareholder engagement, characterized by consistent standards and regular, accessible, and equitable communication with investors of all types.

Our reporting in this area draws on Sustainalytics’ materiality work. Our reporting in this area is consistent with external standards for reporting, including GRI: 102-16, 102-17, 102-23, 102-22, 405-1, 415-1, and SASB: SV-PS-501a.2, SV-PS-230a.2. These datasets are described as relating to standards

and norms of behavior; firm management approach and its components; firm approach to managing risk and opportunities surrounding ethical conduct of the business; chair of the highest governance body; composition of the highest governance body and its committees; and diversity of governance bodies and employees. Our report covers 2021 data. In certain cases, we have included 2020 and 2019 data for purposes of comparison.

MEI.4 Business Ethics

Business ethics focuses on the management of general professional ethics, such as taxation and accounting, anticompetitive practices, and intellectual property issues. Business ethics may include bribery and corruption for subindustries that do not have bribery and corruption as a separate material ESG issue. Additional subindustry-specific topics—such as medical ethics and ethics regarding the provision of financial services, and so on—may also be included in this issue. In addition, ethical considerations related to customer selection may also be included here for

some subindustries if products or services may be used to violate human rights, for example.

MEI.0 Corporate Governance

Corporate governance comprises six pillars:

- Board/Management Quality and Integrity
- Board Structure
- Ownership and Shareholder Rights
- Remuneration
- Audit and Financial Reporting
- Stakeholder Governance

These six pillars represent foundational structures for the management of ESG risks.

Material topics

- Governance Structure and Oversight
- Business Ethics



Governance

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div><div>Governance Structure and Oversight</div><div>MEI.0 Corporate Governance</div></div>	Board member tenure	—	4 people, 0–5 years 1 person, 6–10 years 1 person, 11–15 years 4 people, over 15 years	4 people, 0–5 years 2 people, 6–10 years 1 person, 11–15 years 3 people, over 15 years	54
	Board members’ average age and age range	—	60.6 average age, 39–73 age range	59 average age, 40–70 age range	54
	Board gender distribution	—	40% female 60% male	50% female 50% male	54
	Percentage of ethnically diverse board members	—	20%	30%	54



Governance

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div><div>Governance Structure and Oversight</div><div>MEI.04 Business Ethics</div></div>	Percentage of company employees that have certified their review of the Code of Ethics	—	95%	94%	60
	Percentage of employees who report that acting ethically and with integrity on the team takes priority over achieving business results	—	85%	87%	60
	USD amount of monetary losses as a result of legal proceedings associated with professional integrity	Information regarding any significant legal proceedings is published in Morningstar’s 10K.			—
	USD amount of corporate resources that have been used for political contributions/spending	Morningstar prohibits the use of corporate resources to make direct political contributions; none of its employees meet the applicable definition of lobbyists			—



Business Operations

Our work to integrate environmental principles in our sustainability strategy is aligned with the priorities of our colleagues, consistent with our work to contribute to innovative solutions to the global climate crisis, and reflective of our product offerings. Our work to track and manage the impact of our business operations reflects the interests of our employees, stakeholders, and the communities in which we live and work; additionally, we see that our awareness and management of environmental issues helps us to attract and retain talent. Work in this area relates to the company's management of risks related to its own operational energy use and greenhouse gas (GHG) emissions; it currently includes portions of scope 3 emissions, such as transport and logistics. It does not currently include emissions in the supply chain or during the use phase/end-of-life cycle of a product.

Our reporting in this area draws on Sustainalytics' materiality work. We disclose data and information consistent with external standards for reporting, such as the Global Reporting Initiative's (GRI) framework. In this area, data we have

reported is consistent with GRI: 305-1, 305-2, 305-3, and 305-4, which relate to GHG emissions as a direct or indirect result of a company's consumption of energy and resource efficiency relative to economic value. Our report covers 2021 data. In certain cases, we have included 2020 and 2019 data for purposes of comparison.

Data and Information Security

We also recognize our responsibility to safeguard our stakeholder's information and have structured our organization to protect all data pertaining to our clients, colleagues, and partners. Our dedicated Information Security team is responsible for operating the firm's comprehensive information security program. Morningstar also maintains a privacy program designed to manage the privacy of customers' personal data. As a firm rooted in transparency, we are disclosing our number of data incidents this year. We believe that our proactive security measures allow us to properly assess potential data incidents and mitigate harm in the aftermath. Our reporting in this area draws on Sustainalytics' materiality

work. We disclose data and information similar to/consistent with external standards for reporting including SASB: SV-PS-230a.1, SV-PS-230a.2, and SV-PS-230a.3, and GRI: 418-1.

MEI.8 — Carbon — Own Operations

Carbon—Own Operations refers to a company's management of risks related to its own operational energy use and GHG emissions (scope 1 and 2). It also includes parts of scope 3 emissions, such as transport and logistics. It does not include emissions in the supply chain or during the use phase/end-of-life cycle of a product.

Material topics

- Data and Information Security

Additional topics prioritized by employees and stakeholders

- Environmental Impact
- Sustainability in the Supply Chain



Business Operations

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div><div>Data and Information Security</div><div>MEI.18 Carbon — Own Operations</div></div>	Number of noteworthy security incidents	—	—	1	64
	Number of impacted parties that needed to be informed on an incident	—	—	2	64
	Percentage of noteworthy security incidents that involved customers’ confidential business information or personally identifiable information	—	—	100% (one incident)	64
	Percentage change of the suppliers covered in the Vendor Due Diligence Process from 2020 to 2021, and total number of suppliers covered in the process	—	—	112% increase in suppliers covered from 2020 to 2021, 142 total vendors covered in the VDD process	65
	Percentage of application-based revenue protected during disaster recovery testing	—	—	95%	65
	Percentage of DR tests that were successful	—	—	97%	65



Business Operations

Material Issue	Metric	2019	2020	2021	Page No. Reference
<div><div>Environmental Impact</div><div>MEI.18 Carbon — Own Operations</div></div>	Total amount of scope 1 CO2 equivalents	414	565	2,726	70
	Total amount of scope 2 CO2 equivalents	9,357	8,158	6,349	70
	Total amount of scope 3 CO2 equivalents	5,707	1,436	872	70
	Total GHG emissions per output scaling factor	12.9 tCO2e per USD million in revenue	7.3 tCO2e per USD million in revenue	5.9 tCO2e per USD million in revenue	68
	Total kWh	—	—	27,505,441	69
	kWh per employee	—	—	3,054	69
	Data center energy consumption	—	—	2,722,295	69
	Percentage of employees based in environmentally certified office space	—	—	42%	68