

Enterprise Sustainability

2023 SASB Report



About the Sustainability Account

Standards Board Standards

SASB Standards guide company disclosure of material sustainability topics and metrics. The standards provide a sector-specific approach across 77 different industries; each industry is assigned a set of environmental, social, and governance topics that are likely to affect a company’s performance. Morningstar believes that SASB’s industry-centric approach and emphasis on materiality is consistent with our research-driven, investor-focused approach to ESG analysis.

As of August 2022, the Value Reporting Foundation (VRF) has consolidated into the [International Financial Reporting Standards \(IFRS\)](#). With this consolidation, the International Sustainability Standards Board (ISSB) now oversees the SASB Standards. The SASB standards can be used as guidance for applying the ISSB Standards, [IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#). This consolidation works to simplify the sustainability disclosure landscape.

How SASB Helps Guide

Morningstar’s Materiality

In 2020, Morningstar used SASB Standards to inform portions of our materiality assessment, which identified key issues that could influence the firm’s enterprise value. These include:

- ▶ Business Ethics
- ▶ Diversity, Equity, and Inclusion
- ▶ Governance Structure and Oversight
- ▶ Data and Information Security
- ▶ Employee Engagement
- ▶ Customer and Product Responsibility

Details about how we manage the above topics and the issues prioritized by Morningstar employees and stakeholders are explored in [Morningstar’s Corporate Sustainability Report](#).

Alignment with SASB Standards

In 2023 we continue to disclose in line with the SASB Standards. This effort increases comparability across our peer group in the industry and allows investors to benchmark our performance against other organizations to better understand our position.

The diversity of our offerings suggests that we currently align most directly with the SASB Professional and Commercial Services subindustry. Morningstar’s business has grown substantially in recent years. We will always serve the professional and commercial services industry but may expand into new marketplaces as we continue to evolve.

Data Security

Measurement	2023	Morningstar Notes	SASB Code
Description of approach to identifying and addressing data security risks.	See details on Morningstar's approach in the following file .	—	SV-PS-230a.1
Description of policies and practices relating to collection, usage, and retention of customer information	See details on Morningstar's approach in the following file .	—	SV-PS-230a.2
Number of data breaches	In 2022, Morningstar had zero data incidents	See page 60 of our Sustainability report for details on how we define a data incident	SV-PS-230a.3
Percentage involving customers’ confidential business information (CBI)	N/A (0 incidents)	—	SV-PS-230a.3
Percentage involving customers’ personally identifiable information (PII)	N/A (0 incidents)	—	SV-PS-230a.3
Number of customers affected	0 customers were affected by a data incident	—	SV-PS-230a.3
Number of individuals affected	0 individuals were affected by a data incident		SV-PS-230a.3

Workforce Diversity & Engagement

Measurement	2023	Morningstar Notes	SASB Code
Percentage of gender for executive management, non-executive management, and all other employees		—	SV-PS-330a.1
Executive Management			
Female	17%		
Male	83%		
Non-Executive Management			
Female	29%		
Male	71%		
All Other Employees			
Female	40%		
Male	60%		

Workforce Diversity & Engagement

Measurement	2023	Morningstar Notes	SASB Code
Percentage of diversity group representation for executive management, non-executive management, and all other employees		—	SV-PS-330a.1
Executive Management (US)			
Asian	18%		
White	82%		
Non-Executive Management (US)			
Asian	15%		
Black or African American	1%		
Hispanic or Latino	1%		
Other/Two or More Races	1%		
White	82%		
All Other Employees (US)			
Asian	23%		
Black or African American	5%		
Hispanic or Latino	5%		
Other/Two or More Races	3%		
White	64%		

Workforce Diversity & Engagement

Measurement	2023	Morningstar Notes	SASB Code
Voluntary turnover rate for employees	11.8%	—	SV-PS-330a.2
Involuntary turnover rate for employees	9.9%	—	SV-PS-330a.2
Employee engagement as a percentage	69%	—	SV-PS-330a.3

Professional Integrity

Measurement	2023	Morningstar Notes	SASB Code
Description of approach to ensuring professional integrity	Morningstar is recognized in the industry for our integrity and independence. Our Code of Ethics sets out our high standards for ethical behavior, including the ethical handling of conflicts of interest and compliance with applicable laws, rules, and regulations. Our Code of Ethics is applicable to all our employees and members of our board of directors. We require all employees and board members to certify annually that they have read and will abide by its provisions. In addition to the Code of Ethics, Morningstar has governance policies on topics such as human rights, information security, and antibribery as well as compliance procedures to further guide employees’ conduct. Our Supplier Code of Conduct outlines ethical principles applicable to our vendors. Copies of these policies can be found at Morningstar's Sustainability Policy Center .	—	SV-PS-510a.1
Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Material legal proceedings are disclosed in our Form 10-K in Item 3	—	SV-PS-510a.2

Activity Metrics

Measurement	2023	Morningstar Notes	SASB Code
Number of full-time employees	11,334	—	SV-PS-000.A
Number of non-full-time employees	66	—	SV-PS-000.A
Employee hours worked	Morningstar does not disclose	Morningstar does not disclose details on our employee hours worked as nearly 100% of our workforce are salaried employees who do not have fixed working hours. Given the nature of our business, makeup of our employee population, and cultural emphasis on trust, we do not ask employees to track their working hours, thereby limiting our ability to report/disclose aggregated statistics. If regulation requiring rigorous employee time tracking is implemented across any of our affected regions in the future, we will disclose this information.	SV-PS-000.B

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