



Sustainability

2022

Corporate Sustainability Report Data



Sustainability Data

People and Workplace

Governance

Business Operations



Sustainability Data

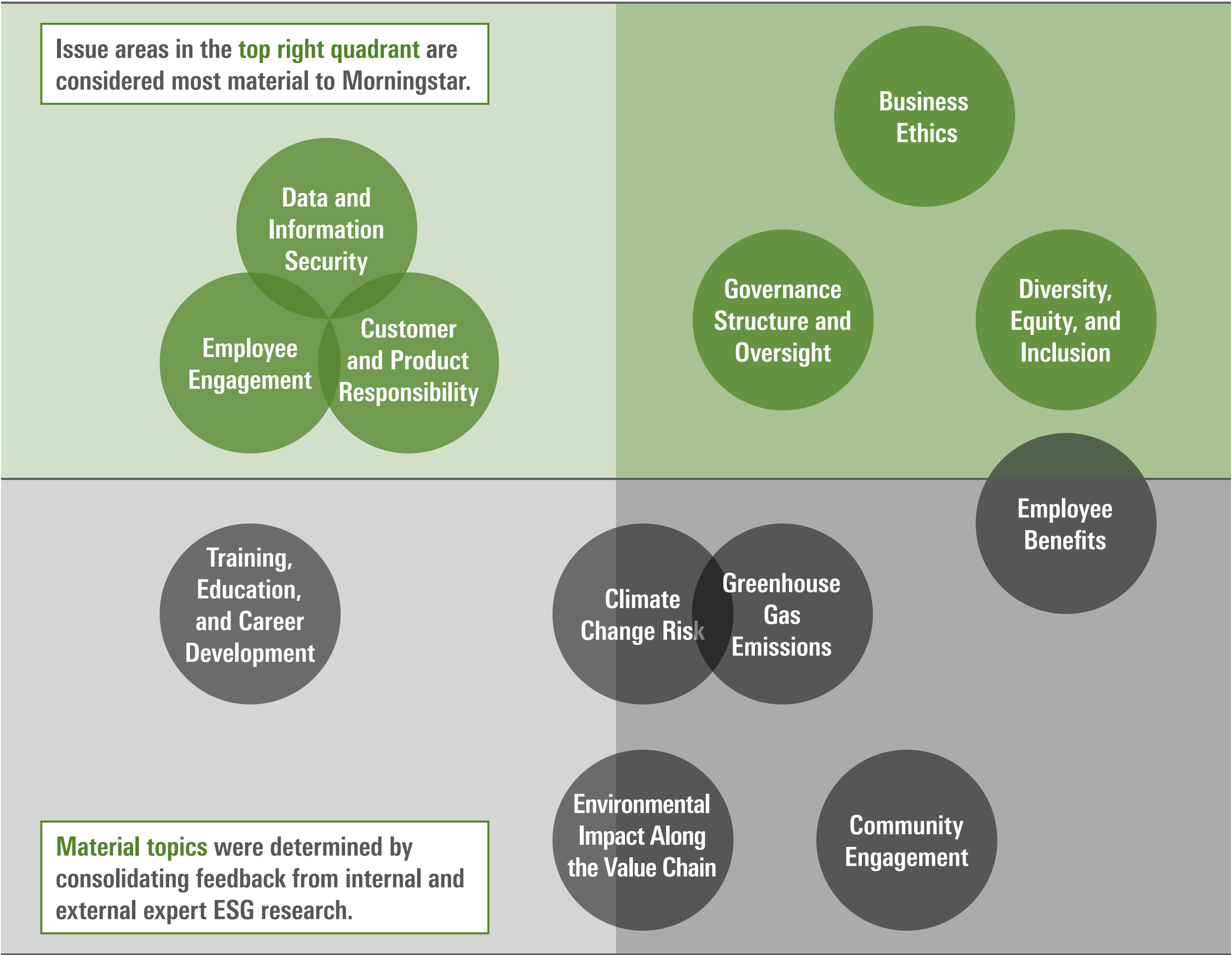
Morningstar is focused on incorporating sustainability and ESG data across our research, solutions, and services and translating sustainability principles into core competencies in our governance, workplace, and business operations.

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 believe that diverse teams make better

decisions, and contend that a collective mixture of different backgrounds, beliefs, and experiences makes Morningstar a stronger firm. 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.



- Material topic
- Additional topics prioritized by employees and stakeholders



Significant Business Impact

Moderate Business Impact

Moderate Stakeholder Value

Significant Stakeholder Value

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 CorporateSustainability@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 Sustainability 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 2022 data. In certain cases, we have included 2019-21 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	2022	Page No. Reference
<div><div>Employee Engagement</div><div>MEI.13 Human Capital</div></div>	Employee Engagement	73%	80%	81%	80%	36
	Percentage of colleagues who report feeling motivated to go above and beyond what’s expected of their role	—	85%	86%	84%	35
	Percentage of colleagues who report being comfortable asking other members of their team for help	—	92%	92%	94%	35
	Percentage of colleagues who report understanding how their work is connected to the company strategy	—	87%	88%	89%	35
	Great Place to Work Score	—	81	84	88	35
	Percentage of colleagues who are shareholders through a compensation or benefit program	—	32%	31%	29%	35



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div><div>Employee Engagement</div><div>MEI.13 Human Capital</div></div>	Employee Turnover Rate	—	12%	18.5%	18.9%	36
	Voluntary Turnover Rate	—	—	17.1%	15.8%	36
	Involuntary Turnover Rate	—	—	1.4%	3.1%	36
	Turnover By Gender	—	—	—	18.8% Male 18.6% Female	36
	Turnover By Underrepresented Minority (URM) vs. Non-Underrepresented Minority (NURM)	—	—	—	17.4% URM 15.8% NURM	36



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div>Employee Benefits</div>	Percentage of U.S. employees who have completed the U.S. wellness incentive program	—	76%	97%	90%	39
	Percentage of eligible employees taking advantage of sabbatical	29%	19%	24%	44%	39
	Number of eligible employees taking advantage of sabbatical	472	319	457	700	39
MEI.13 Human Capital	Percentage of employees taking advantage of shared ownership	—	16%	18%	17%	39



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div><div>Diversity, Equity, and Inclusion</div><div>MEI.13 Human Capital</div></div>	Percentage of female compared with male colleagues (full organization)	—	42%	42%	41%	41
	Percentage of female compared with male colleagues (senior leadership)	—	31%	23%	23%	42
	Percentage of female compared with male colleagues (entry-level or midlevel roles)	—	42%	43%	45% Entry-level 37% Midlevel	42
	Gender identity in executive management	—	—	—	87% Male 13% Female	42
	Racial identity of colleagues in U.S. region	—	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	66% White 22% Asian 5% Hispanic 4% Black 3% Two or more races	44



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div><div>Diversity, Equity, and Inclusion</div><div>MEI.13 Human Capital</div></div>	Racial identity of colleagues in Canada region	—	—	—	35% South Asian, 30% White, 12% Chinese, 6% Arab/West Asian, 5% Black, 4% Latin American, 4% Southeast Asian, 4% Other	44
	Percentage of females in Investment Research	—	—	—	42%	43
	Percentage of females in Data Management	—	—	—	44%	43
	Percentage of females in Technology	—	—	—	24%	43
	Percentage of females in Client Facing Roles	—	—	—	42%	43



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div><div>Diversity, Equity, and Inclusion</div><div>MEI.13 Human Capital</div></div>	Percentage of females compared with males on the board	—	40%	50%	50%	41
	Percentage of female committee chairs compared with males	—	33%	33%	33%	41
	Number of employee nationalities	—	87	100	116	46
	Number of languages spoken	—	32	34	37	46
	Racial identity in executive management (U.S.)	—	—	—	85% White, 15% Asian	45
	Racial identity in senior leadership (U.S.)	—	—	—	84% White, 14% Asian, 1% Hispanic, 1% Two or more races	45
	Racial identity in midlevel roles (U.S.)	—	—	—	68% White, 22% Asian, 5% Hispanic, 3% Black, 2% Two or more races	45
	Racial identity in entry-level roles (U.S.)	—	—	—	61% White, 22% Asian, 6% Hispanic, 7% Black, 4% Two or more races	45



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	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%	75.7%	48
	Compensation pay gap between male & female employees (adjusted)	—	—	97.1%	98.8%	48
	Compensation pay gap between underrepresented minorities (URM) and non-under-represented minorities (NURM) in the U.S. (unadjusted)	—	—	79.2%	77.8%	48
	Compensation pay gap between URM & NURM in the U.S. (adjusted)	—	—	95.9%	99.1%	48
	Dollar amount spent on pay equity compensation increases	—	—	Over USD 1.5M	Over USD 490K	47
	Number of employees who received a pay increase because of the adjusted pay gap analysis	—	—	420 employees	76 employees	47
	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	39% India, 35% Americas, 17% EMEA, 6% China, 3% APAC (ex IND/CHN)	46



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div><div>Training, Education, and Career Development</div><div>MEI.13 Human Capital</div></div>	Cost associated with education programs and mentorship per number of employees	—	Over USD 590	USD 453	USD 481	—
	Percentage of eligible employees who received a formal talent review	—	96%	98%	97%	50
	Percentage of employees who believe Morningstar is committed to their career development	—	77%	75%	78%	50
	Number of Morningstar Scholars	—	75	80+	90	50
	Global education stipend spend	—	USD 1.3M	USD 1.7M	USD 2.4M	50



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div>Training, Education, and Career Development</div>	Percentage of employees using educational stipend	—	49%	46%	54%	50
	Employees who have completed a CFA level 1, 2, or 3 credential	—	199	304	636	—
	Morningstar Development Program entry-level metrics by gender identity	—	43% Male 57% Female	43% Male 57% Female	37% Male 63% Female	51
	Number of Trellis Self-Learning Modules	—	—	—	Over 19,000	50
	Number of Morningstar Development Program (MDP) members and growth from 2021	—	—	—	2,008, increase of 548%	51
	Global breakdown of MDPs by region	—	—	—	84% India, 14% U.S., 1% Canada, 1% Spain	51



People and Workplace

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div><div>Community Engagement</div><div>MEI.13 Human Capital</div></div>	Total employee donations, company matched donations, and Morningstar donations	—	Over USD 1.0M	Over USD 1.7M	Over USD 2.2M	54
	Percentage of employees who were matching gift participants	—	—	51%	53%	54
	Percentage of employees who volunteered in 2022	—	—	—	41%	54
	Number of global volunteer week projects	—	—	—	Over 120	55
	Percentage of employees who feel good about the ways that we contribute to the community	—	—	—	82%	54
	Percentage of Morningstar involvement in community vs. industry average	—	—	—	67% Morningstar 33% Industry Average	54



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 2022 data. In certain cases, we have included 2019–21 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	2022	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	4 people , 0–5 years 2 people , 6–10 years 1 person , 11–15 years 3 people , over 15 years	61
	Board members’ average age and age range	—	60.6 average age 39–73 age range	59 average age 40–70 age range	60 average age 41–71 age range	61
	Board gender distribution	—	40% Female 60% Male	50% Female 50% Male	50% Female 50% Male	61
	Percentage of ethnically diverse board members	—	20%	30%	30%	61



Governance

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div>Business Ethics</div> <div>MEI.04 Business Ethics</div>	Percentage of company employees that have certified their review of the Code of Ethics	—	95%	94%	88%	66
	Percentage of employees who report that acting ethically and with integrity on the team takes priority over achieving business results	—	85%	87%	88%	66
	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 Annual Report on Form 10-K.				—



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 help 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 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 framework. In this area, data we have reported is

consistent with GRI: 305-1, 305-2, 305-3, and 305-4, which relate to greenhouse gas emissions as a direct or indirect result of a company's consumption of energy and resource efficiency relative to economic value. Our report covers 2022 data. In certain cases, we have included 2019–21.

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	2022	Page No. Reference
<div><div>Data and Information Security</div><div>MEI.18 Carbon — Own Operations</div></div>	Number of noteworthy security incidents	—	—	1	0	71
	Number of impacted parties that needed to be informed on an incident	—	—	2	0	71
	Percentage of noteworthy security incidents that involved customers’ confidential business information or personally identifiable information	—	—	100% (one incident)	0%	71
	Percentage of application-based revenue protected during disaster recovery testing	—	—	95%	83%	70
	Percentage of DR tests that were successful	—	—	97%	96%	70



Business Operations

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div><div>Environmental Impact</div><div>MEI.18 Carbon — Own Operations</div></div>	Total amount of scope 1 CO ₂ equivalents	414	565	2,726	440	75
	Total amount of scope 2 CO ₂ equivalents	9,357	8,158	6,349	6,220	75
	Total amount of scope 3 CO ₂ equivalents	5,707	1,436	872	3,526	75
	Total greenhouse gas emissions per output scaling factor	12.9 tCO ₂ e per USD million in revenue	7.3 tCO ₂ e per USD million in revenue	5.9 tCO ₂ e per USD million in revenue	5.4 tCO ₂ e per USD million in revenue	73
	Total kWh	—	—	27,505,441	18,396,601	74



Business Operations

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div>Environmental Impact</div>	kWh per employee	—	—	3,054	1,550	73
	Data center energy consumption	—	—	2,722,295 kWh	6,947,896 kWh	73
	Percentage of employees based in environmentally certified office space	—	—	42%	44%	73
<div>MEI.18 Carbon — Own Operations</div>	Percentage of offices run on 100% electricity	—	—	—	42%	73
	Percentage of consumption classified as green tariff energy	—	—	—	13%	73



Business Operations

Material Issue	Metric	2019	2020	2021	2022	Page No. Reference
<div>Sustainability in Supply Chain</div>	Percentage of critical and high-priority spend suppliers with public climate commitments	—	—	—	46%	80
	Percentage of critical and high-priority spend suppliers that are a certified minority and women owned business (MWOB) status	—	—	—	6%	80
MEI.18 Carbon — Own Operations	Percentage change of the suppliers covered in the Vendor Due Diligence Process from the previous years, 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	168% increase in suppliers covered from 2021 to 2022, 381 total vendors covered in the VDD process	80



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