

Enterprise Sustainability

2024
Corporate
Sustainability
Report

Contents

03 Introduction

03 A Message From Kunal Kapoor

04 About Morningstar

05 Commitment to Sustainability

07 Materiality Matrix

09 2024 in Review

11 About This Report

12 Product Offerings

13 Customer and Product Responsibility

16 Sustainable-Investing Offerings

21 People and Workplace

22 Employee Engagement

25 Employee Benefits

28 Our Workforce

31 Training, Education, and Career Development

37 Community Engagement

40 Governance

41 Governance Structure and Oversight

47 Business Ethics

49 Business Operations

50 Data and Information Security

53 Environmental Impact

63 Appendix

64 Sustainability Data

75 SASB Report

81 Alignment with Sustainable Development Goals

85 Endnotes

A Message From Kunal Kapoor



Kunal Kapoor, Morningstar CEO

Dear Colleagues, Board Members,
and Stakeholders,

2024 marked progress in Morningstar's sustainability initiatives, driven in part by increased demand for transparency from shareholders, clients, and regulators. We published our first TCFD Report, a Climate Transition Update, and a new Environmental Statement ([see them here](#)¹). Our work and workplace again received notable awards.

We integrate sustainability principles into our corporate strategy to advance data transparency, accessibility, and choice for investors. When investors have more access to comparable data, more transparency into company behavior, and more information about the way in which

◻◻ We believe our stakeholders deserve transparency into how we achieve our goals and position ourselves for future success. ◻◻

their investments are affected by—and affect—the broad environment in which they operate, decision-making in capital markets functions better.

This report is designed to help our teams, shareholders, clients, and partners understand our approach to running an enduring business. We believe our stakeholders deserve transparency into how we achieve our goals and position ourselves for future success.

Many thanks for your continued interest and support over the past 40 years.

Kunal Kapoor
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'K. Kapoor', written over a light blue circular stamp.

About Morningstar

Our Mission

Empower Investor Success

We are a global leader for investor-first insights, tools, and investment strategies, trusted by market participants worldwide. Our system of capabilities, connected through data and insights, supports our work to promote transparency, deliver access, and enhance investor choice.

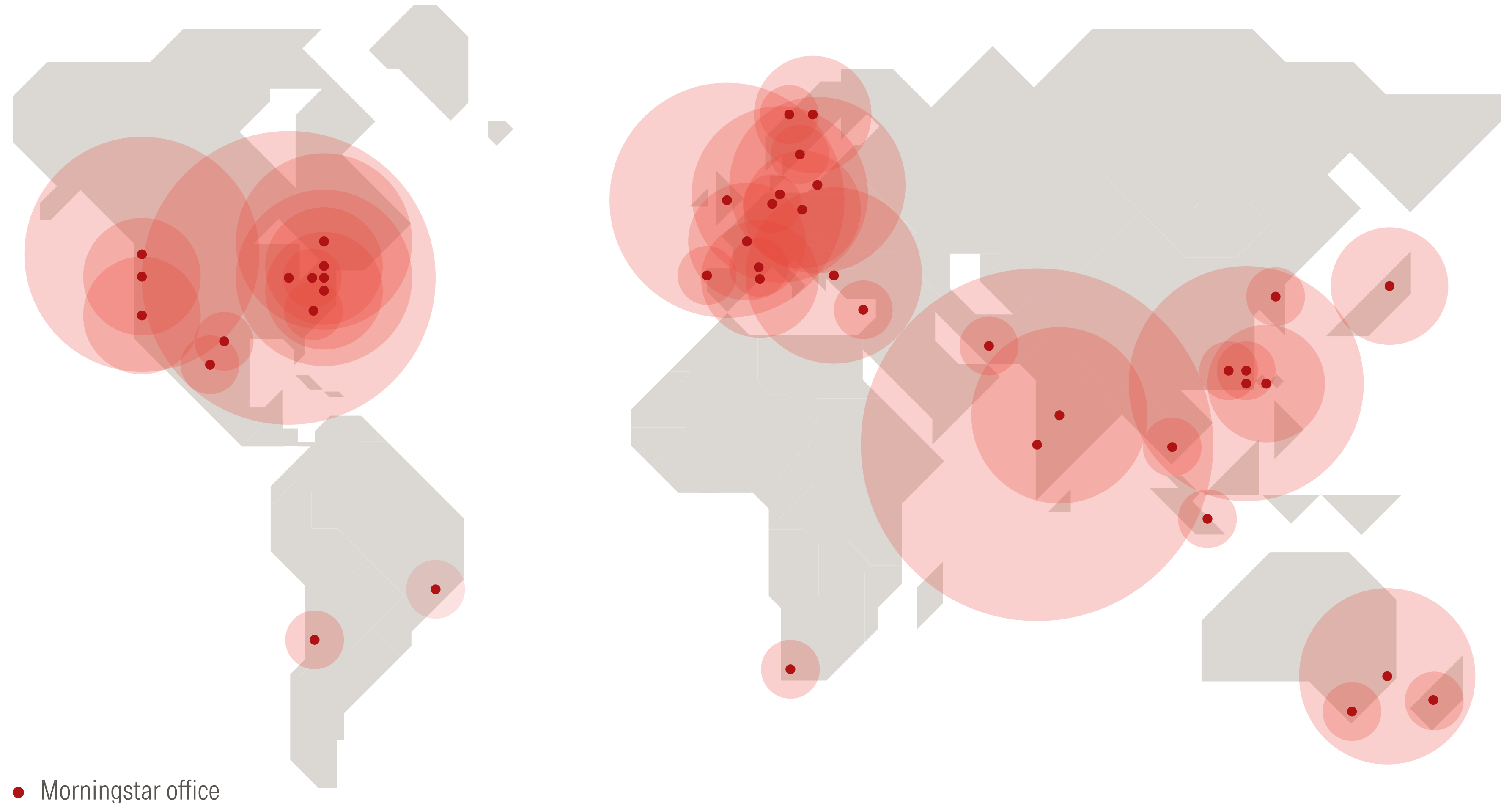
Our Principles

- ▶ Transparency
- ▶ Independence
- ▶ Long-Term Focus

Our Work

- ▶ Research & Ratings
- ▶ Data & Analytics
- ▶ Indexes
- ▶ Managed Portfolios

11,085 employees in 32 markets



Commitment to Sustainability

We are committed to our mission of empowering investor success and operating an enduring business. This commitment shapes a variety of efforts across the firm, including offering sustainable-investing data and products to meet investor demand.ii



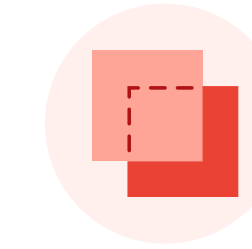
Enabling Sustainable Investing Choices

We aim to make sustainable-investing accessible, transparent, and relevant to investors. Morningstar delivers market-leading data, research, products, and services that are designed to empower investors to make investment decisions for their circumstances, goals, and preferences. Our sustainable-investing data, services, and research seek to provide investors of all types with tools to understand sustainability risks and opportunities in their investments and to support issuers looking to improve the sustainability of their firms.



Upholding Sustainable Business Practices

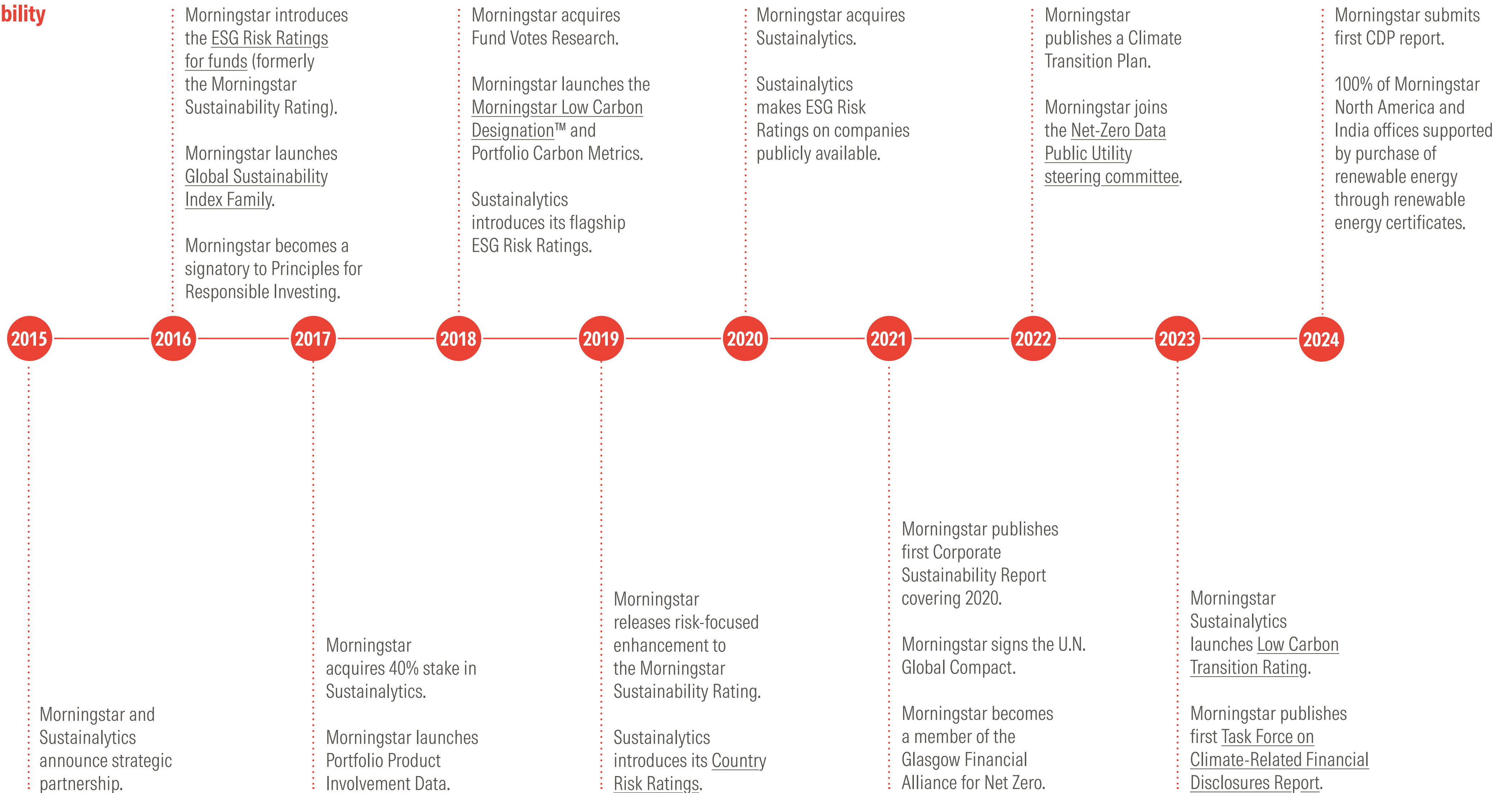
We turn the power of our sustainable-investing data and research on ourselves. We use our own research and frameworks to identify sustainability indicators that are most material to our business with the goal of creating long-term value and reducing risk for our stakeholders. We are committed to year-over-year progress in our efforts to build an enduring, successful business and workplace.



Delivering Transparency & Reporting on Progress

We engage with international frameworks and standards to disclose relevant and comparable data for our stakeholders. We report regularly on our sustainability efforts and seek to align with international goals and frameworks where these are most relevant for our business.

History of Sustainability at Morningstar



Morningstar's Material and Prioritized Issue Areas

We use a materiality exercise to help us identify and prioritize the sustainability-related issues that are significant to our stakeholders and that could affect the value of our business over the long term.ⁱⁱⁱ

Over the past 20 years, our access to data has expanded and the investment industry's interpretation of the factors that can influence measures of firm value has evolved, expanding to include environmental-, social-, and governance-related factors. Morningstar's material ESG issues, or MEIs, are those issues that our analysts, employees, and outside experts believe could have a tangible effect on the enterprise value of the company. MEIs may affect the firm's value drivers, revenue growth, and the overall context in which we operate. Our MEI framework allows us to focus on the environmental, workplace, and governance issues that we believe may add value or reduce risk. It helps us articulate

goals, build processes, and compose performance improvement strategies that relate to these issues.

We determine our most relevant MEIs by conducting an assessment that draws on a range of sources. We reference frameworks and research from outside organizations such as the Sustainability Accounting Standards Board, the Global Reporting Initiative, and other research firms. We leverage the internal expertise of Morningstar's equity research and finance teams. We identify the MEIs that matter deeply to Morningstar's stakeholders, including our colleagues, clients, and shareholders, by conducting interviews, surveys, and external research. We additionally review client inquiries, policy research, current and emerging sustainability reporting frameworks, and employee feedback.

Key MEIs for Morningstar include customer and product responsibility—our commitment to address customer expectations pertaining to product impact, quality, and safety. This includes responsible marketing practices, a critical aspect of how Morningstar addresses the financial-services marketplace. MEIs also include the firm's governance structure and oversight; business ethics; data privacy and security; and workplace issues that influence our ability to attract and retain talent.

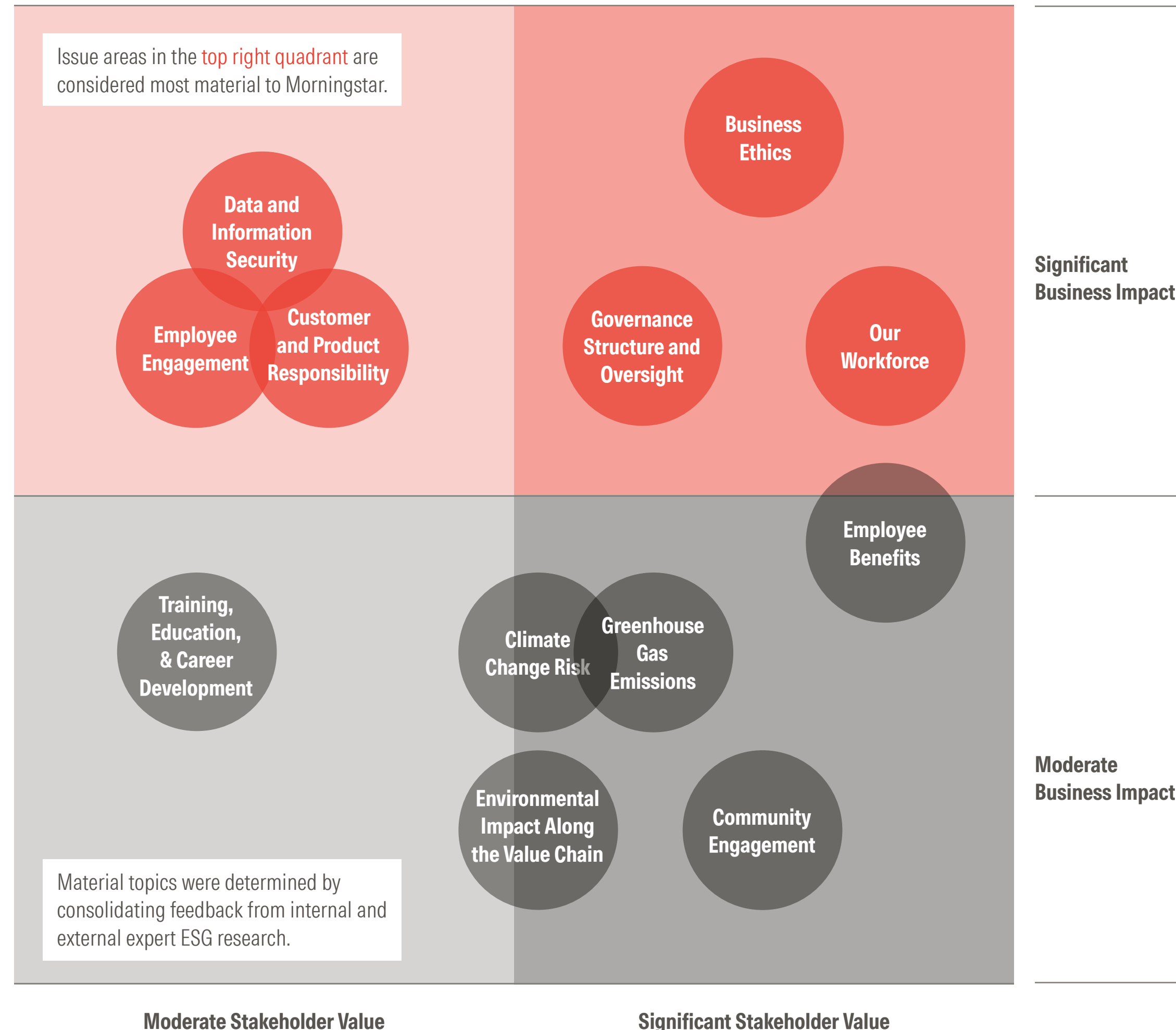
These material issues play a significant role in our long-term strategic planning. Our work in each of these areas is tracked by corresponding datasets, which we make available in this and other reports. This allows employees, investors, executive leadership, and other stakeholders to monitor, track, and understand our approach to and performance in these areas. For example, data points pertaining to our workplace include year-over-year shifts in

measures of employee engagement, which we gather from anonymous, regular surveys.

Of course, sustainability-focused materiality assessments are a developing discipline. New and shifting regulations and standards including those in the European Union may require adjustments in how companies perform these assessments. This report reflects the materiality assessment and priorities that shaped our strategy, reporting, and performance in 2024.

Materiality Matrix

- Material topic
- Additional topics prioritized by employees and stakeholders



This visual represents Morningstar's current MEIs. A topic positioned high on the vertical axis suggests that sustainability experts believe the issue is likely to affect Morningstar's business performance. Items on the right of the graph represent high-priority issues for Morningstar stakeholders. Issues pertaining to business ethics, our workforce, and our governance structure and oversight are considered most material to Morningstar's business performance and are high-priority issues for Morningstar's stakeholders. Morningstar holds these material issues at the center of our mission and values, which guide our strategic planning to add value to our business. Our intention is to report our progress on a regular basis.

Business Impact

We believe these MEIs are likely to affect our immediate business success and performance.

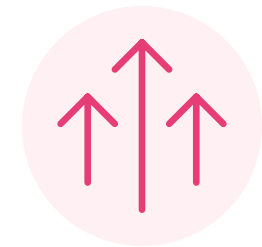
Stakeholder Value

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

2024 in Review

Product Offerings

\$33.8 B Assets in funds that track a Morningstar Sustainability Index (USD).



Enhanced ESG Risk Rating to expand on corporate governance methodology.

People & Workplace

7 Yrs Great Place to Work Certified.

\$2.5 M Donated during Global Giving Drive via employee and Morningstar Match (USD).

16 Wks Increased Parental Leave PTO for primary caregivers starting in 2025.

Business Operations

0 Material security incidents since 2021.

1st Established first Global Sustainable In-Office Catering Policy.

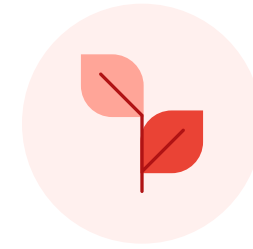


Established mandatory employee training on our new [Environmental Statement](#).

100% Electricity-based emissions for North America and India offices mitigated via renewable energy certificates.

2024 in Review

In 2024, Morningstar expanded the reach of our sustainability-related data coverage across asset classes, made enhancements to our flagship ESG Risk Rating for issuers, and implemented strategies to mitigate 100% of our electricity-based emissions for our North America and India offices.



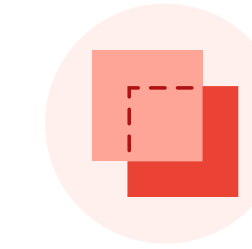
Creating Products for a Sustainable Future

- ▶ Our Morningstar Indexes business launched new market indexes, including the Morningstar Low Carbon Transition Leaders Index and the Morningstar LGBTQ+ Leaders Index.
- ▶ In June, the firm enhanced its ESG Risk Ratings, expanding its corporate governance methodology.



Embracing Sustainability in Our Operations

- ▶ We introduced our first global [Environmental Statement](#).
- ▶ We introduced our first global Sustainable In-Office Catering Policy, designed to ensure that our colleagues make thoughtful, sustainability-focused purchasing decisions.
- ▶ We purchased renewable energy certificates to mitigate 100% of our electricity-based emissions for our North America & India offices, which make up 81% of our global office electricity-based emissions.



Expanding Transparency

- ▶ Morningstar published its first report aligned with the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) and its first [Climate Transition Plan Update](#).
- ▶ In response to interest from clients and shareholders, we submitted our first [CDP report](#).

About This Report

In this report, we examine Morningstar's efforts to add value and reduce risk to our business by incorporating sustainability and investing data into our offerings and building sustainable practices through our operations. This report details our approach across the Morningstar enterprise.^{iv}

Product Offerings

This section examines crucial ways that we participate in the market, which is through the data, research, and products that we provide to investors of all types.

People and Workplace

This section outlines our employee engagement and benefits strategy, highlighting our efforts to build team environments that encourage open dialogue, spark creativity, and fuel innovation that supports business success.

Governance

This section discusses company oversight and our approach to business ethics across our firm.

Business Operations

This section details our data and information security practices, our environmental impact reduction efforts, and management of sustainability in our supply chain.

Our Sustainability Reporting Portfolio

To promote transparency in our work and to prepare for impending sustainability reporting regulations, we publish the following [global reports and updates](#) in addition to our annual corporate sustainability report:

- ▶ Annual Climate Transition Update
- ▶ Climate Transition Plan
- ▶ Sustainability Accounting Standards Board Report
- ▶ Task Force on Climate-Related Financial Disclosures
- ▶ UK Gender Pay Gap Report

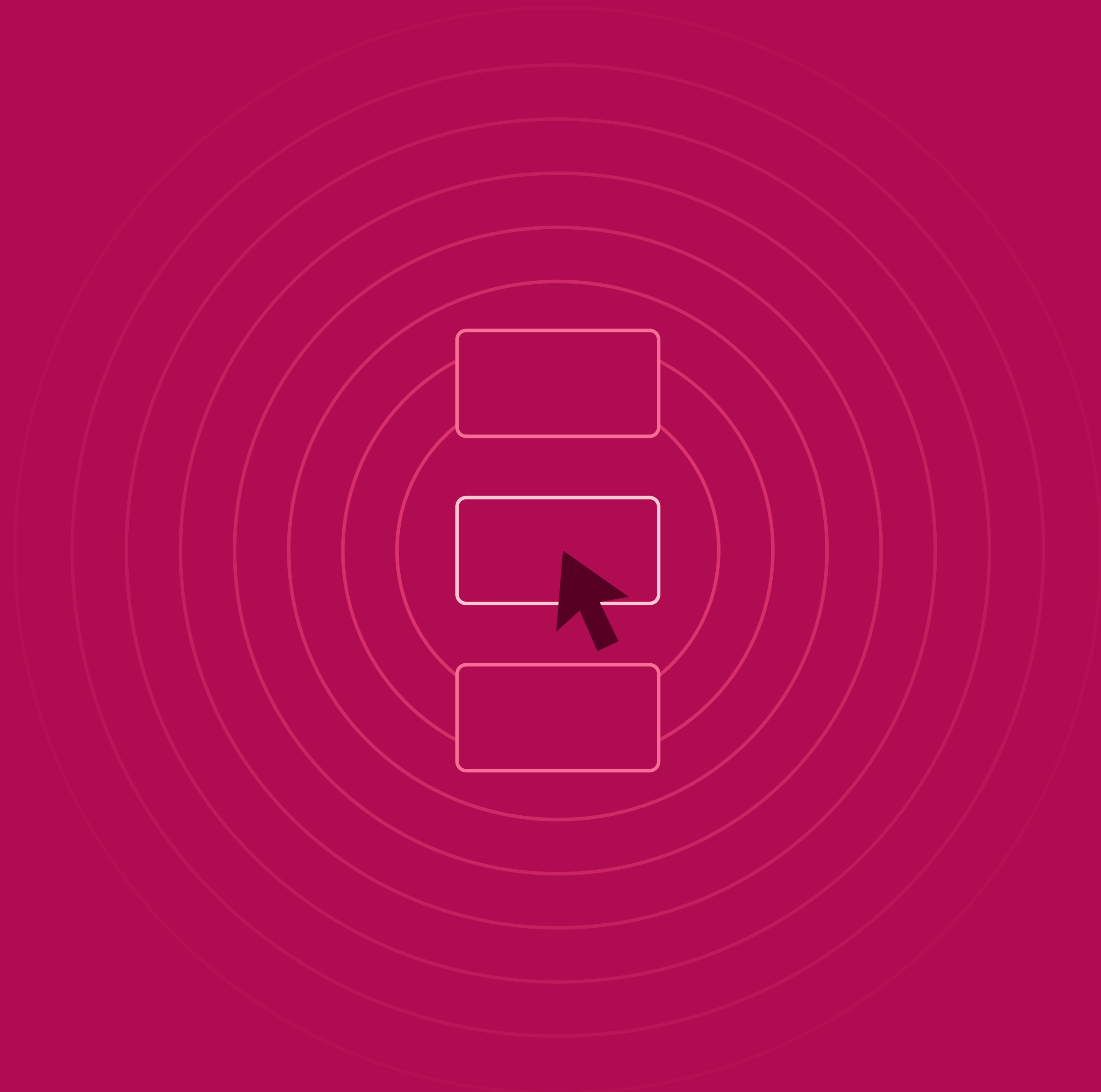
We may further refine our sustainability reporting and data disclosure strategy in the future. This year, to sync up reporting timelines, we published our [2024 Climate Transition Update](#) in tandem with the publication of this report. Morningstar also participates in outside reporting, including the Carbon Disclosure Project, now known as CDP, and EcoVadis and publishes regular thought leadership and strategic updates via our [corporate sustainability webpage](#).

Product Offerings

Morningstar offers products and services that seek to connect people to the investing information they need. We provide a wide range of data, research, and solutions to all types of investors, from individuals saving for retirement to asset managers overseeing portfolio creation. We contribute to the sustainability of global markets by addressing demand for transparent and accessible sustainable-investing data, research, and tools.

Addressing Risks & Opportunities

Our efforts in this area are focused on creating differentiated, innovative, and insightful products that clearly convey complex investment information to investors of all types. We recognize the importance of delivering high-quality data, research, tools, and services to support investors and clients in a quickly changing environment.



Customer and Product Responsibility

This is a material topic for Morningstar

Since our founding in 1984, investors and financial professionals have relied on Morningstar’s commitment to independent research and ratings. We are known for responsible research practices that are built to be objective, transparent, and accessible; these practices seek to arm investors of all types with decision-useful information to guide their financial journey. Morningstar and its employees are governed by [Morningstar’s Code of Ethics](#), discussed in detail in the Business Ethics section of this report.

SDG Areas



Colleagues recording a video in the Morningstar studio.

Our Research & Ratings

Morningstar’s trusted data, research, and ratings underpin our products. For more than 40 years, we have continued to expand the coverage of our data and tools from managed products to a range of investment types across private and public markets. Ideas like the Morningstar Style Box have reframed the investment landscape repeatedly; our easily understood research, assessments, and ratings systems guide investor decisions and create the shared language of investing. Today, our ratings and assessments, which include the Morningstar Economic Moat Rating, the Morningstar Rating for funds (the “star rating”), and the forward-looking Morningstar Medalist Rating, have expanded to include a wide swath of the global markets, state-sponsored college-savings plans, target-date funds, health savings accounts, credit issuers, and the private markets.

Research Independence

To help maintain the integrity, independence, and objectivity of our investment research, there is a strict separation between research professionals in the Morningstar Research team and the company’s sales activities.

Commercial clients are not given preferential access to analysts. Additionally, we employ processes and mechanisms designed to ensure the integrity of our research and ratings. Analysts of Morningstar Research Services, a separate legal entity, are governed by an integrity policy, code of ethics, and specific rules and regulations as a registered investment adviser. Morningstar Research Services also safeguards against undue influence using its control procedures, ratings committees, team structure, and editing processes. Morningstar Research Services does not enter into issuer-paid arrangements for universally distributed research.

Responsibility and Efficacy in Ratings

Our research analysts assign ratings based on transparent criteria, all of which are accessible through our published methodologies. We report on the performance of our ratings systems to test accuracy over time and to provide users with an understanding of our decision-making processes. We believe that transparency and regular review produce stronger outcomes, and we regularly measure usability and efficacy to define success.

In 2024, we made enhancements to the methodologies of the [Morningstar Quantitative Equity Ratings Methodology](#), the [Style Box for funds](#), and the [Medalist Rating](#). These enhancements are designed to improve accuracy and make these resources even more useful to investors.

Morningstar Research & Ratings

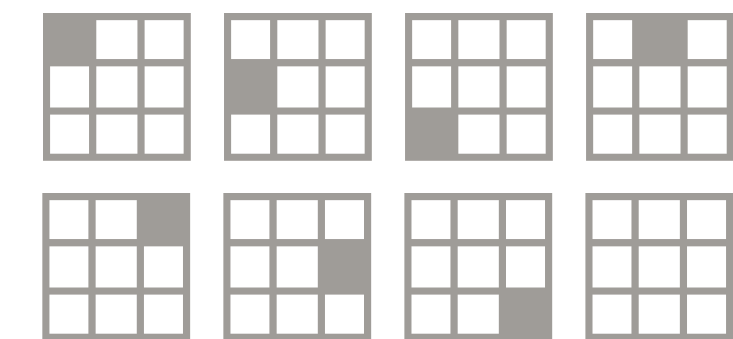
Morningstar Rating™



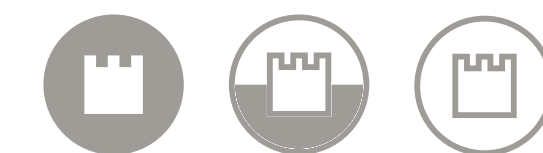
Morningstar Medalist Rating™



Morningstar Style Box™



Morningstar Economic Moat Rating



The Morningstar Ratings Council oversees the development, review, and enhancement of our ratings.^v Consisting of senior research leaders and chaired by the leaders of our manager research and equity research organizations, the Ratings Council provides guidelines and standards designed to ensure the integrity, efficacy, and usability of Morningstar ratings. The Ratings Council also performs a quality control function, reviewing any errors, complaints, or questions about ratings.

To avoid conflicts of interest, Morningstar:

- ▶ Prohibits manager research analysts and their immediate family members from holding securities that derive a material portion of their revenue from managing mutual funds.
- ▶ Prohibits equity analysts and their immediate family members from holding positions in companies they cover or any close competitor.
- ▶ Restricts equity analysts and their immediate family members from buying or selling securities when commencing coverage or updating analysis, until two business days after publication.

Designing for Universal Accessibility

Morningstar democratizes investing insights by seeking to ensure that our products and analyses are accessible and user-friendly for all. Our Design System follows W3C Web Content Accessibility Guidelines (WCAG 2.2), providing tools to help designers and engineers create content accessible to people with diverse abilities.

As our program evolves, building a shared language around accessibility is expected to help designers better communicate requirements to engineers, allowing product, design, and technology teams to better meet the needs of users. For more information on accessibility standards, visit our [webpage here](#). More on the [Morningstar Design System can be found here](#).



Virtual meeting in a breakout room.

Sustainable-Investing Offerings

This is a material topic for Morningstar

Morningstar provides sustainable-investing-related data, research, products, and services that address investor demand to make more informed decisions and meet global regulatory requirements. We bring together security-, fund-, and portfolio-level data, aiming to provide a consistent language for insights across asset classes. Our solutions cover the investment value chain, from decision-making to monitoring and reporting. This allows investors to use sustainability data in ways that align with their goals and obligations.

SDG Areas



Virtual meeting in a breakout room.

Morningstar’s Work to Promote Transparency in Sustainable Investing

Our mission to empower investor success is built upon principles of independence, transparency, and a long-term view. These principles inform our commitment to data-driven research and shape the tools and insights we deliver, which help our clients consider sustainability in their policies, practices, and processes.

According to Morningstar [research](#), more than two thirds of global asset owners indicate that sustainability-focused considerations have become more material to their investment process in the last five years. For these investors, issues ranging from increased cybersecurity risk to workplace safety to physical climate risks contribute to investment decisions. Morningstar aims to provide the data and solutions that enable investors to integrate sustainability factors that matter to them in their workflows.

Our Sustainable-Investing Data and Research Offerings

Our sustainable-investing-related data enables investors to assess opportunities and risks across asset classes at the company, country, fund, and portfolio level. Increasingly, investors seek access to data at varying levels of granularity, so we aim to provide data across multiple levels of detail, from corporate-reported to analyst-driven assessments and ratings. For example, investors can find information on a company's reported carbon emissions alongside our calculated emissions intensity metrics, access estimated emissions data, or use our research-driven assessments of the company's environmental strategy.

This supports clients where and how they want their data. We provide data through feeds and APIs, enabling clients to integrate the information directly into internal systems and workflows to support efficiency and accessibility. We also provide our data through software tools and platforms, both managed by Morningstar

▮▮ In a dynamic market in which global issues such as climate change create new challenges, it’s critical that investors have access to sustainable-investment data, research, and tools. Our focus is to help our clients navigate risk and pursue opportunity through our extensive capabilities and high-touch support. ▮▮



Ron Bundy
President,
Morningstar Indexes & Sustainalytics

and by third parties. Our [Managed Screening Service](#) enables institutional investors to submit and receive screenings of their portfolios or universes at predetermined frequencies, based on client selected criteria.

Additionally, our analysts provide research-driven, high-level signals for investors seeking summaries of the sustainability of their investments.

Our flagship [ESG Risk Ratings](#) provide investors and other stakeholders with a signal of the exposure to ESG risk that issuers face. This signal is available at the company level, the country level (as the [Morningstar Sustainalytics Country Risk Rating](#)), and aggregated at the managed product level, through the [ESG Risk Ratings for funds](#) (formerly called the Sustainability Rating for Funds). These ratings help summarize potential material ESG issues and provide comparable measurement across peers and subindustries, allowing investors of all kinds to compare investments.

For some investors, risk pertaining to climate and climate transition has emerged as particularly relevant to decision-making in recent years. To capture climate-specific assessments at the company level, we've expanded our ratings to include the [Low Carbon Transition Rating](#). This assessment includes a range of measurements, such as low carbon transition-related value at risk, which assesses an issuer's alignment to a global net zero pathway and the potential future financial impact on a firm of a global transition to a net

zero scenario. We also deliver data and research on company involvement in a range of climate-related activities, including through our [Carbon Solutions Involvement](#) practice area.

Morningstar Sustainalytics' Research Independence

As we grow, we seek to apply Morningstar's research and ratings frameworks to new and acquired research processes. For example, we have developed a [conflicts of interest framework](#), which is designed to manage actual or potential conflicts of interest arising from Morningstar Sustainalytics data, research, ratings, and tools. Morningstar Sustainalytics personnel are required to adhere to prohibitions and restrictions set forth in applicable conflicts-of-interest-related policies. Additionally, the teams at Morningstar Sustainalytics operate independently to promote integrity and best serve the clients of these offerings:

- ▶ Sustainable Corporate Solutions: Offers sustainability-related products and services to public and private corporations and corporate advisors.

- ▶ Second Party Opinions: Offers assessments of sustainable finance and lending through an issuer-paid model.
- ▶ Stewardship Services: Helps investors manage reputational risk and increase corporate accountability through proactive, professional, and constructive engagement.

Morningstar Sustainability Ratings

ESG Risk Rating



Low Carbon Designation



Low Carbon Transition Rating



Morningstar Serves a Range of Sustainability-Focused Outcomes



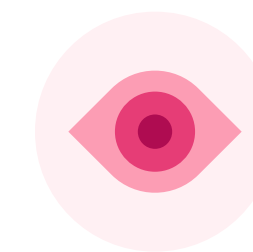
Define a Sustainable-Investing Strategy and Portfolio Characteristics

Financial professionals can leverage our offerings in the preinvestment process to analyze data in alignment with client goals and define their investable universe. For example, investors can gain insights into companies' sustainable revenue streams and operational performance through our impact metrics and make informed decisions that align with intended sustainability-and impact-focused investment strategies. They can also use our risk data to select companies that are effectively managing their ESG risk compared with industry peers or our full coverage universe.



Conduct Investment Selection and Build Portfolios

Insights into a company's practices can inform investment decision-making and portfolio management. For example, values-based investors may seek to limit their exposure to controversial areas, like animal testing or weapons. We provide product involvement data that analyzes the percentage of revenue derived from controversial areas for companies and portfolios, allowing investors to limit their exposure as desired.



Monitor Portfolios and Report on Risks

Our data allows clients to continuously monitor sustainability performance across their portfolio and customize reporting to meet stakeholders' needs. For example, our flagship ESG Risk Rating provides our perspective on the ESG risks relevant to companies, countries, and funds and how well these risks are managed. This assessment allow investors to understand ESG risks that could affect the long-term performance of their investments at the security, fund, and portfolio levels.



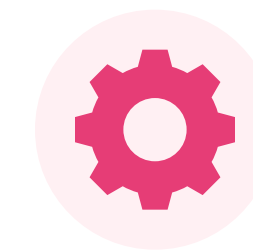
Report in Alignment With Regulations and Compliance Requirements

Clients can use our data to maintain alignment with regulatory frameworks, monitor compliance, and address gaps over time. For example, our EU Taxonomy solution enables investors to respond to and comply with a range of European regulatory frameworks including our newly launched CSRD-aligned data offering. With offices in key financial markets, we offer a distinct global perspective that sets us apart. Our clients benefit from our deep local knowledge, enabling them to navigate both domestic and regional regulations with confidence.



Assess or Conduct Active Ownership Practices

Our stewardship services and datasets can equip clients to engage with key portfolio companies or external managers on ESG risks and impact. For example, our active ownership data allows investors to understand how fund managers are voting assets under management on sustainability issues and whether a non-ESG fund is advancing other resolutions. Our stewardship team enables our clients to create long-term value through active ownership by engaging with portfolio companies of our investor clients.



Implement and Enhance Corporate Sustainability Initiatives

We provide data and services directly to the corporate market to inform sustainability management and reporting practices, bring new projects to market, and help market their strategies. For example, Morningstar Sustainability's Second Party Opinion service reviews and evaluates a corporation's green, social, or sustainability bond framework and its alignment to market expectations as part of the issuance process. We also provide services after issuance to assess the company's finance and reporting alignment with the intended use of proceeds and commitments set out in the bond framework.

Serving Our Clients

Individual Investors



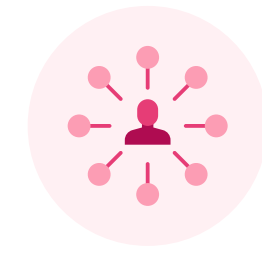
We provide sustainability-related data, research, ratings, assessments, and tools on our global digital sites to individual investors. In 2024, our flagship US site served **5.9 million unique visitors**. Editorial content is free to the public for the first three days of publication.

Wealth & Advisory Professionals



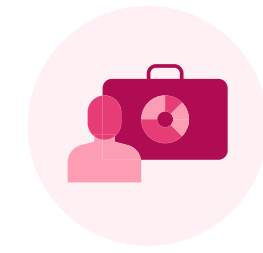
We build tools and education to help advisors use our data, assessments, research, and tools to deliver investment strategies that reflect investor preferences. Financial advisors may use our data to assess client exposure to ESG risks, controversial topics, or positive-impact opportunities to ensure client expectations are reflected in their portfolios. In 2024, **39% of Morningstar Direct clients used sustainability-related data to build reports and 32% used sustainability-related data in their investment search criteria each quarter**. Morningstar Wealth offers options for financial advisors who serve clients who seek exposure to sustainability-focused investments.

Asset Managers



Our sustainability-related offerings, including sustainability-related and carbon data, assessments, ratings, research, and tools, help asset managers integrate sustainability-related considerations into their processes, fulfill stewardship obligations, and respond to regulatory requirements. Morningstar Indexes offers a range of sustainability indexes across themes and industry focus areas, enabling asset managers to benchmark performance and create asset-allocation strategies.

Asset Owners



Our data and tools help asset owners assess risks, opportunities, and alignment with sustainability goals in the preinvestment process, monitor ongoing investment performance and risks, and develop reporting and impact measurement aligned with sustainability goals.

Banking & Financial Institutions



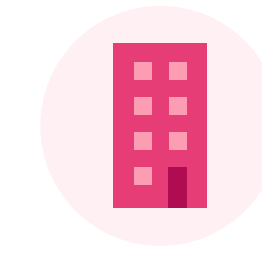
Our comprehensive sustainability-related research, ratings, and data solutions help banks and financial institutions assess and manage sustainability risks and opportunities in their portfolios. By leveraging Morningstar Sustainalytics' insights, banks can enhance their due diligence processes, comply with evolving regulatory requirements, and develop sustainable-investment products that align with client expectations and market trends.

Private-Market Investors



At PitchBook, a Morningstar company, we track public and private equity markets, including venture capital, private equity, and mergers-and-acquisitions activity. We work to deliver actionable data and insights to private-market investors with sustainability as part of their investment decision-making process. Our research covers sustainability and climate-related trends in the private-market space. Recent offerings include an annual [sustainable-investment survey](#), climate tech research, and energy transition in infrastructure reporting.

Corporate Issuers



Morningstar Sustainalytics engages directly with corporate issuers to maintain updates in our research and ratings in addition to providing products and services directly to the corporate market. Notably, we provide second-party opinions for firms seeking to raise capital in the market, and promote their programs, or support investor and employee communications.

People and Workplace

Our people are our most important asset. We are committed to fostering an environment where the people who power our mission know their ideas are welcome, their voices are heard, and their contributions are rewarded.

Addressing Risks & Opportunities

We strive to build a high-performance workplace in which our colleagues thrive; to reduce risk associated with people and the management of skilled labor through retention and recruitment programs; and to create strong, fulfilling careers that engage employees and contribute to our company's growth and resilience.



Employee Engagement

This is a material topic for Morningstar

Engaged and empowered people drive Morningstar's success. This belief informs our strategy for workplace programs; rewards and benefits; practices that support teamwork, expertise, and experience in decision-making; fair compensation; welcoming work environments; training and career development; and community engagement.



SDG Areas



A townhall brings together colleagues from the Morningstar Mumbai office.

Employee Listening and Analysis

Understanding our people is key to understanding the Morningstar employee experience. Our “people analytics” team regularly tracks and shares metrics on employee experience, including satisfaction, intent to stay, discretionary effort, and enablement. We also evaluate perceptions of managers, psychological safety, and well-being through surveys, focus groups, and exit interviews. Additional data on headcount growth, attrition, promotion rates, and workplace composition provide insight into broader employee experience shifts.

Communication and Transparency

Morningstar’s history of creating and embracing transparency informs how we communicate. We seek to create a workplace in which our teams feel informed, included, and connected.

Internal communication efforts include:

- ▶ Monthly town halls led by our CEO and executive team
- ▶ Monthly “Ask Kunal Anything” sessions for employee Q&A with our CEO

- ▶ Quarterly internal earnings recaps
- ▶ Weekly firmwide newsletter
- ▶ Employee intranet to access company information and resources

We prioritize regular in-office gatherings and offsites to foster colleague connection while valuing our hybrid three-day in-office workweek to promote collaboration.

Performance Recognition

We encourage growth by rewarding high performance and prioritizing internal promotions. Morningstar ensures colleagues receive annual performance and compensation discussions with their direct managers to promote continuous progress. Bonus payouts are calculated based on a combination of business success and individual performance to reward those who go above and beyond.

To recognize and celebrate the achievements of our colleagues, Morningstar offers several internal awards:

▶ Impact Awards

Manager-nominated awards grant restricted stock units to colleagues who exceed expectations.

▶ Global Values Awards

Peer-nominated awards recognize colleagues who embody our company values in their everyday efforts.

▶ Empowering Investor Success Awards

Recipients of the Global Values Award then qualify for this award, where winners receive restricted stock units and an invitation to attend Morningstar’s annual leadership meeting.

Shared Ownership

This employee equity program provides the opportunity for colleagues to establish ownership in Morningstar by allocating a percentage of their annual bonus or commission toward Morningstar stock, while benefiting from an additional 50% company match.

54%

Internal hiring rate ^{vi}

5 Yrs

Average employee tenure

Morningstar Achievers Program

In 2024, Morningstar piloted an employee recognition program, the Achievers Program, in our India offices. Peers can award points to and share positive commentary about colleagues who are going above and beyond, which can be exchanged for various gifts. This program is expected to expand to additional employees in 2025.

Employee Engagement in 2024

Based on annual averages, Morningstar's overall employee engagement score was 64% in 2024, compared with 69% in 2023.^{vii} In the second quarter of 2024, the engagement score decline stabilized and the engagement score rose through the second half of the year in response to actions taken by management and improving business performance. Our people and culture team stays committed to monitoring feedback and implementing changes to support employees.

Each year, we are independently assessed on culture and engagement by the Great Place To Work Institute. In 2024, Morningstar was named a Certified Great Place To Work for the seventh year in a row. Our score of 72 continues to exceed the institute's average company index of 57.

Voluntary attrition^{viii} increased slightly to 13.1% in 2024, in line with historically normalized levels. In 2024, our retention rate was 85.2%.^{ix}

Employee Engagement

Year	%	
2022	80	
2023	69	
2024	64	

Great Place To Work Score Compared With Industry Average

	%	
Morningstar	72	
Industry Average	57	

Turnover Data

2022	%	
Voluntary	15.8	
Involuntary	3.1	
Total	18.9	

2023	%	
Voluntary	11.8	
Involuntary	9.9	
Total	21.7	

2024	%	
Voluntary	13.1	
Involuntary	3.5	
Total	16.6	

67%

Colleagues report feeling motivated to go above and beyond

86%

Colleagues report understanding how their work is connected to the company strategy

Employee Benefits

This topic is prioritized by our employees & stakeholders

Morningstar's efforts to reward and support our colleagues reflect our belief that people are central to our success. We offer various benefits through a total rewards package that aims to support our colleagues' financial, physical, emotional, and social well-being.



CEO Kunal Kapoor takes a selfie with colleagues.

Employee Benefits in 2024

Morningstar prioritizes employee feedback and regularly benchmarks our benefits to provide competitive offerings that meet unique needs across regions and focal areas for our employees. In 2024, Morningstar introduced new and enhanced benefits based on feedback received via employee surveys and interviews.

Global Benefit Enhancements for 2025

Morningstar introduced a new Wellness Flexible Stipend, enabling colleagues to allocate up to half of their existing educational stipend for personal wellness expenses. This can range from gym memberships to mental health resources. This benefit is available in the US and expected to be available globally by the end of 2025. We hope to empower colleagues to invest these dollars in the personal wellness resources that matter most to them.

Increased Family & Parental Leave

We want our colleagues to feel fully supported as they care for the health and happiness of themselves and their family. In 2021, we established a global minimum parental leave

standard through the Morningstar Family Leave benefit, which provided at least six weeks of paid leave to bond with a new child or to care for a sick family member. Starting in 2025, Morningstar has extended this offering to 16 weeks minimum of paid time off for primary caregivers and up to eight weeks of paid time off for secondary caregivers. We believe this enhanced offering provides employees with flexibility and support during this family-forming time.

Morningstar’s Benefit Offerings

Across Morningstar’s global regions, we regularly assess the strength of our benefit offerings against both our total rewards philosophies and what is locally competitive in each region. Therefore, some of our offerings vary based on where colleagues reside. For an overview of the benefits available to our global colleagues, along with some of our minimum standards, see our highlights on the next page.

12%

Colleagues took advantage of the shared ownership program

32%

Eligible employees took advantage of sabbatical

835

Employees took sabbatical in 2024

72%

Employees completed the US wellness incentive program*



Winners celebrate at the annual Morningstar cricket league.

Morningstar’s Benefit Highlights

Physical & Mental Health Benefits

Medical Coverage

In addition to traditional healthcare coverage, in certain regions, our offerings include fertility services, fertility preservation, and navigation services for complex care. We also offer a wellness incentive program as a way for employees to decrease their portion of out-of-pocket healthcare costs through completion of certain wellness-related activities throughout the year.

Mental Health Coverage

Across all our US medical plans, teletherapy is covered at 100%. Under our traditional PPO in the US, in-network psychotherapy visits are covered with no copay. Globally, under our Employee Assistance Program, we provide up to six free counseling sessions for colleagues and their loved ones. These sessions may support mental health needs, legal needs, and more. We also provide referrals for individuals who desire longer-term care.

Dental Coverage

Vision Coverage

Healthcare & Dependent Care Flexible Spending Accounts

Healthcare Savings Accounts

Time Off & Family Support

Paid Global Sabbatical

We provide a paid sabbatical to all global colleagues of up to six weeks (or equivalent, in addition to any annual paid time off) once every four years to recharge and enjoy experiences outside of work.

Paid Time-Off

In North America, we offer a flexible, trust-based time-off benefit, without balances. In other regions, we provide a minimum threshold of 15 days of paid time off each year, with a global average of over 20 days. This time off includes vacation days, sick time, personal days, military leave, jury duty, study leave, and holidays. Additionally, we offer two days of paid time off for volunteer efforts across our global regions.

Paid Parental Leave

We offer a minimum standard of parental leave globally for all parents. Our parental leave exceeds this minimum in many markets based on benefit standards and norms or requirements unique to the region.

Paid Family Caregiving Leave

We believe that colleagues should have paid time to support their family members; this may include situations such as caring for an ill family member. Globally, colleagues have a minimum standard of six weeks of caregiving leave. This benefit exceeds market norms in many locations where we operate.

Adoption Assistance

In the US, Morningstar provides up to 80% of all qualified adoption expenses, up to USD 4,000 per adoption event.

Childcare Support

In the US and India, we provide financial support for backup childcare services as well as discounts for parents and caregivers.

Financial Support

Retirement Savings Plans

We provide competitive retirement savings plans in the markets where we operate. Plans generally include elements of employer contribution matching or fixed employer contributions to supplement employee retirement savings.

Employee Ownership Opportunities

Morningstar awards top-performing employees a portion of their annual bonus in the form of restricted stock units. Additionally, our Shared Ownership Program provides an opportunity for colleagues to elect to receive a portion of their cash bonus (or commission payout) in Morningstar stock with an additional company match of 50%. Our match rate exceeds typical market standards and encourages broad ownership and shared success with the company.

Tuition Assistance

Morningstar’s application-based global Scholars Program provides a range of tuition reimbursement up to USD 30,000 annually and goes beyond sponsorship by providing Morningstar learning cohorts.

Educational & Wellness Flexible Stipend

All colleagues receive an annual stipend to spend on educational materials such as courses, books, or certificates. Starting in 2025, colleagues can use up to 50% of this stipend for wellness-related expenses.

Financial Planning & Education

In some locations, Morningstar partners with local recordkeepers, consultants, and third parties to provide financial education, navigation, and retirement planning services.

Commuter & Transit Benefits

To lessen the financial burden for employees in some locations, we offer commuter benefits including parking, transit, and cycling discounts and tax-preferred arrangements.

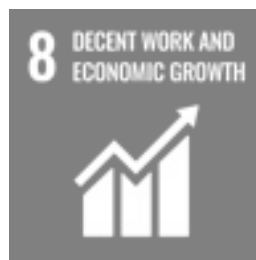
Our Workforce

This is a material topic for Morningstar

As a global employer, our aim is to encourage open dialogue, spark creativity, and fuel innovation. At Morningstar, we work to build a future where every voice is heard and anyone can achieve their financial goals.



SDG Areas



Enjoying lunch at the Morningstar Chicago cafe.

Our Workforce in 2024^{xi}

We believe that teams composed of colleagues from a broad range of backgrounds, beliefs, and experiences make Morningstar a stronger firm. Our teams help us understand the businesses and markets in which we operate and engage customers around the world.

As of Dec. 31, 2024, we had 11,085 permanent, full-time employees around the world. Approximately 41% of our employees work in India, 37% in the Americas, 18% in EMEA, and 4% in APAC (ex-India).

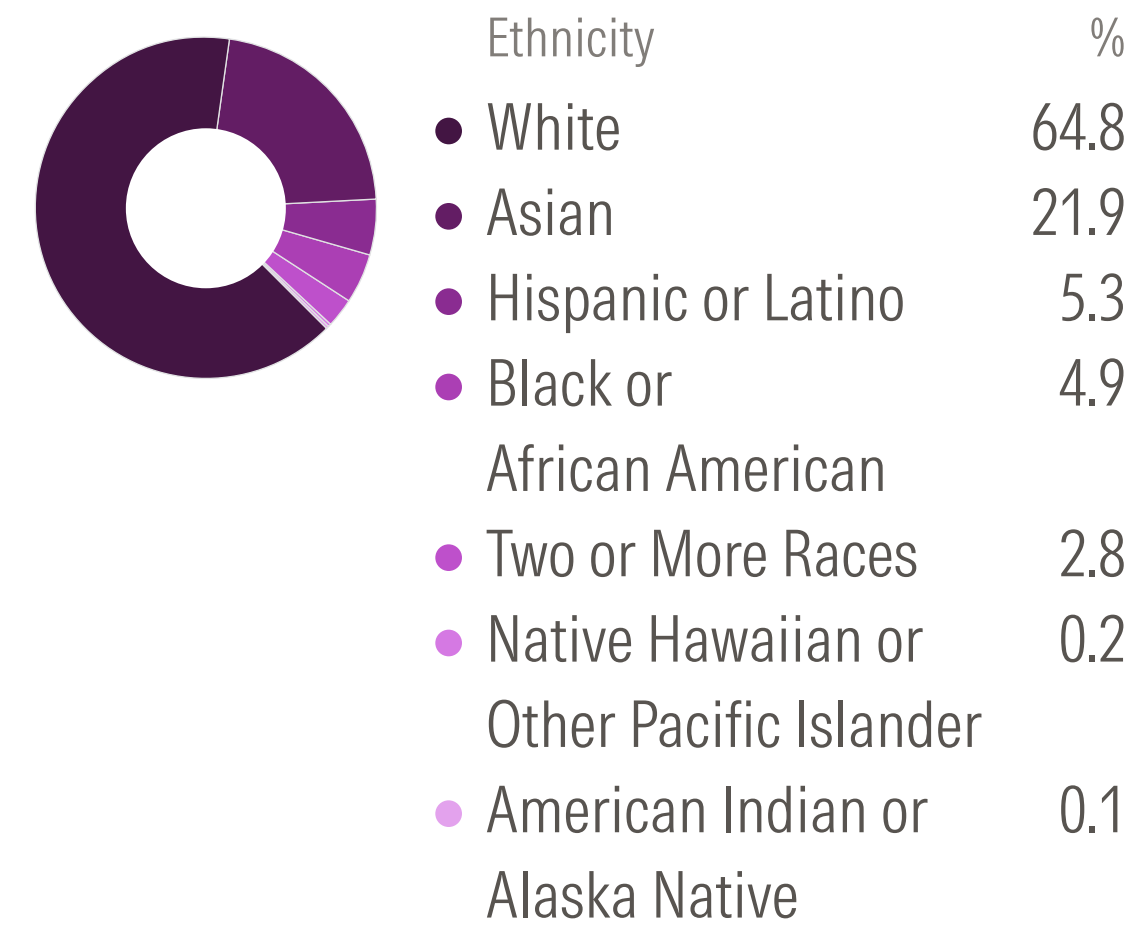
Fair Pay Practices

Morningstar aims to provide compensation that is internally fair and externally competitive. We believe transparency in compensation reflects our commitment to fairness and equitable rewards.

To further achieve transparency in compensation, employees have access to view the pay range for their own roles globally, with the goal of supporting more productive conversations between colleagues and their managers related to performance and career development. Starting in 2025, all external job postings in the US will include pay ranges.

2024 Workforce Data

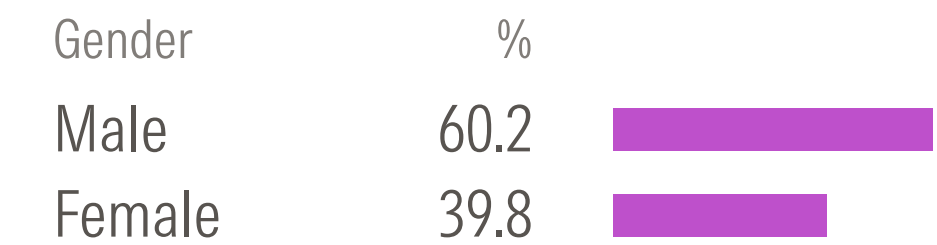
Race/Ethnicity of US Workforce^{xiii}



Age Distribution of Full Workforce



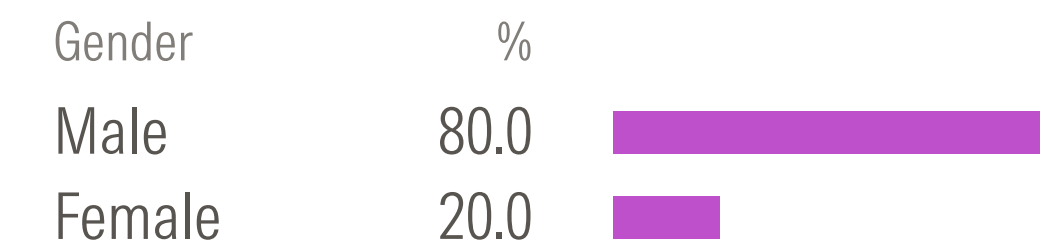
Gender Composition of Full Workforce^{xii}



Race/Ethnicity of US Executive Management



Gender Composition of Executive Management



Employee Resource Groups

Open to all colleagues, Morningstar’s employee resource groups are employee-led groups that work to cultivate a safe and welcoming space for networking, connection, and growth around the globe. Morningstar has 12 ERGs with 42 chapters globally. ERGs are assigned executive sponsors and financial resources to support the execution of their key goals: uplifting employees, empowering investor success, and engaging members. Key efforts in 2025 included:

- ▶ Women in Technology hosted a hackathon leveraging artificial intelligence to enhance efficiency and client consultations for Customer Success Managers.
- ▶ Sustainability Network and Black, Caribbean, African Network led initiatives to boost local community engagement and brand awareness.

<p>EST. 2018</p> 	<p>EST. 2021</p> 	<p>EST. 2018</p> 
<p>EST. 2022</p> 	<p>EST. 2018</p> 	<p>EST. 2020</p> 
<p>EST. 2019</p> 	<p>EST. 2015</p> 	<p>EST. 2020</p> 
<p>EST. 2017</p> 	<p>EST. 2008</p> 	<p>EST. 2014</p> 



BCA Black History Month event in London.



Panel members at the WIN Leadership event in Toronto.

Training, Education, and Career Development

This topic is prioritized by our employees & stakeholders

Morningstar offers a variety of educational and career development opportunities aimed at providing ongoing professional growth for our colleagues. Our goal is to build a culture of learning that supports our employees through moments that matter in their careers. From laying the groundwork for success in their first job to preparing senior leaders for critical roles, our global programs differentiate us in the marketplace. Our colleagues tell us investing in these opportunities helps amplify our long-term success.



Designers work at the Morningstar Chicago Headquarters.

Career Development Enhancements in 2024

In 2024, Morningstar focused on building stronger programs to develop our internal talent and prepare colleagues for manager- and leadership-level roles. We enhanced and set a new standard for development opportunities: We increased investment in our Scholars Program, reinvigorated our new manager training program, and introduced a High Performer Program for current leaders.

Offerings for All Employees

Educational Stipend

An annual, individual stipend is available to all colleagues to apply toward external educational programs and learning resources of their choice.

Morningstar Scholars Program

In 2024, we made enhancements to this application-based global tuition assistance program. The program now includes two levels of scholars with differing amounts of tuition reimbursement. Star Scholars receive 80% or up to USD 30,000 in tuition support each year (for a lifetime maximum of USD 150,000 per degree). Horizon Scholars receive up to USD 5,000 per year. This allows us to provide tuition support to a broader base of employees while also providing a differentiated benefit to high potential employees. We had 79 Morningstar Scholars in 2024.

Digital Learning

Morningstar colleagues have access to Trellis, our digital-learning management platform, which provides self-paced learning modules from diverse content partners internally and externally.

CFA Certifications Stipend

Our Chartered Financial Analyst stipend covers all exam costs associated with receiving the CFA credential. This stipend can be used toward obtaining a CFA, CAIA, or the CFA ESG Investing Certificate. In 2024, Morningstar had 352 CFAs.

\$650

Spend on education and mentorship programs per employee (USD)

71%

Employees believe Morningstar is committed to their career development

79

Morningstar Scholars in 2024

352

Number of CFAs at Morningstar

65%

Percentage of employees using educational stipend

\$3.5 M

Global educational stipend spend (USD)

Offerings for Career Development Across Job Levels

Morningstar offers career development opportunities tailored to colleagues spanning from our newest members to our executive leaders. We provide resources to foster learning, growth, and people management skills to drive a high-performance culture across the organization.



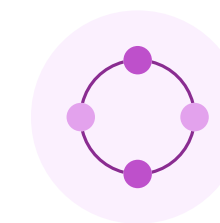
Early Career

Internships

Morningstar offers internship opportunities for early career individuals. Our summer internship program allows college-aged individuals an opportunity to learn through hands-on experience on a team of their selection.

Morningstar Development Program

The Morningstar Development Program is a two-year program for recent university graduates and entry-level talent. Program participants gain experience through on-the-job learning, career development workshops, formal mentoring, and stretch assignments. MDP offers targeted tracks designed to prepare colleagues for careers in specific disciplines, including equity research, quantitative research, credit, sales & customer success, technology, finance, and general business. The MDP program is currently active in the US, Canada, Spain, the UK, and India.



Midlevel Career

Manager Academy

In 2024, we invested in our newly appointed managers to help equip them with the tools, tactics, and mindsets to successfully transition into their new roles. The Manager Academy provides structured development and training opportunities to assist with challenges in management roles, connect peers with similar obstacles, and provide tools to enable strong team building. This four-month-long, modularized training program is available to colleagues who have been promoted into a manager position or are people leaders who have joined us within the last 12 months.

Morningstar University

Morningstar University provides structured learning opportunities to colleagues through online and in-person courses. Curated learning curricula includes our newly introduced Manager Academy and AI social learning program.



Senior and Executive Leaders

High Performer Program

New in 2024, this leadership development initiative is designed to prepare our exceptional leaders for future expanded responsibilities and enterprise-level influence. Selected individuals form a cohort participating in a blend of experiential-based learning sessions, small group coaching, and personalized insights and reflection.

Investing In Our Leaders

A conversation with Matthew Froggatt and Samyukta Ladhwa.



Matthew Froggatt
Director of Operations,
Wealth



Samyukta Ladhwa
Director of FP&A

You both were in the first cohort of Morningstar’s High Performer Program: Congratulations! How would you say the program aided your development as a leader at Morningstar?

Samyukta Ladhwa: I think it played a pivotal role in my leadership development at Morningstar! It began with a comprehensive assessment process, which provided valuable feedback from my team, peers, and senior leaders. That kind of feedback helped me identify key development areas and prioritize goals that align with both my personal growth and Morningstar’s strategic objectives. Beyond self-awareness, the program offered invaluable opportunities: The peer coaching sessions fostered a supportive environment where I could both receive and offer guidance. And connecting across the organization was critical! This network not only strengthened cross-functional collaboration but also deepened my understanding of how we collectively contribute to Morningstar’s success. It reinforced a shared vision, making our impact even more meaningful.

While I’ve always understood that emotions play a crucial role in effective leadership, this program served as a powerful reminder of why they matter.

Matthew Froggatt: The HPP has had a significant impact on my development as a leader. As I said to the group at the end of the program, it is undoubtedly the best corporate training I have done in my 25-plus years in financial services. It gave me a fresh perspective and practical techniques that I can use to become a better leader and pass on to my team.

And I have to say that the feedback I received has been extremely valuable—a key input in helping me construct an individual development plan in which I’m confident.

What “mini experiments” did you try since the start of the program, and what was the outcome (good or bad)? Also, what support structure proved most helpful during this process?

Samyukta Ladhwa: One key learning from the program was the importance of executive presence, particularly the role of Pathos—the power of emotional connection in leadership. While I’ve always understood that emotions play a crucial role in effective leadership, this program served as a powerful reminder of why they matter. Sharing personal stories fosters stronger bonds and builds a more cohesive team.

I’ve always admired leaders who are approachable, but I realized I wasn’t consistently practicing some of the simplest behaviors, like a warm smile. So that was one of my “mini experiments” and honestly, I’ve noticed a positive shift in myself—I feel more engaged with the team, and our interactions have become more natural and open.

The peer coaching sessions and open conversations with senior leaders have been crucial. The encouragement from my peers provided a safe space to share experiences, receive feedback, and refine my approach in real time.

Matthew Froggatt: I agree with Samyukta's last point about our peer training group. We had insightful sessions during which we highlighted a problem and our original approach; each person then shared their insights and perspectives on our problem. Focusing on listening to feedback once we had posed the challenge was hard—and really helpful!

I've also tried a number of mini experiments, particularly using storytelling and, like Samyukta, leveraging these concepts of ethos, pathos, and logos to seek better alignment with stakeholders. I'm working hard to build this into the way that I approach work and tackle business and customer problems. Having a sponsor was great, too; mine was very helpful in suggesting different viewpoints and testing some of my proposed approaches.



Morningstar's first High Performer Program cohort.

What has been the impact of the conversations and relationships you have developed with your cohort peers?

Samyukta Ladhwa: One of the most valuable takeaways from my cohort experience has been realizing that, despite working in different areas, we all face similar challenges. We're all on this journey together—driven by a shared desire to make an impact, drive improvements, and help our teams succeed.

I had an “aha” moment during a peer coaching session when I was grappling with the idea of being more strategic but struggling to translate it into a concrete objective. One of my colleagues was generous enough to share with me that he had received similar feedback from his sponsor. The relationships I've built with my cohort have been incredibly valuable. I feel I have a strong network of peers who challenge and support me.

Matthew Froggatt: Building a new and lasting relationship with a talented and approachable set of leaders from across the business has

been an outcome that I did not expect at the start of the program. I now have contacts across Morningstar and close colleagues with whom I can share the challenges and opportunities that we face in this global firm.

How will you use what you've learned to continue motivating team members to achieve goals and foster a culture of trust and accountability?

Samyukta Ladhwa: I will foster a culture of trust, accountability, and collaboration by leading with transparency, open communication, and follow-through. Creating a safe space where my team feels comfortable sharing challenges and feedback will be key to building stronger connections and driving engagement. I'm making a conscious effort to recognize progress and celebrate wins, reinforcing accountability as a path to continuous growth and collective success.

Matthew Froggatt: Since HPP finished a few months ago, I have been able to work with each of my direct reports on their own individual

development plans and get better aligned on opportunities we have to accelerate the development of our people and teams. Also, I have to say that the topic of executive presence really resonated with me and gave me fresh impetus to always bring the best version of myself to all work situations. This is something I am more actively instilling in the leaders who work in my team.

Community Engagement

This topic is prioritized by our employees & stakeholders

As a global employer reliant on flourishing locales and an industry leader committed to empowering investor success, we feel a deep responsibility to address community needs aligned with our corporate sustainability goals. We're committed to investing in local communities by leveraging our unique expertise, passionate people, and financial resources.



Colleagues in the Shenzhen office celebrate Global Volunteer Days.

Core Engagement Initiatives

Global Volunteer Days

Our annual Global Volunteer Days provide Morningstar colleagues the chance to participate in volunteer efforts in their local communities. Through organized events with community partner organizations, employees have the chance to connect with colleagues and volunteer during regular working hours. In 2024, we contributed to 217 projects in various ways such as working with students, fighting food insecurity, and cleaning local parks and urban areas.

58% Employees who volunteered in 2024

31,129 Total employee volunteer hours

217 Number of Global Volunteer Days projects

Global Giving Drive

Morningstar hosts an annual Global Giving Drive, which promotes employee donation to local nonprofits. We prioritize organizations that align to our three giving themes: financial inclusion (new in 2024), fighting hunger, and preserving the environment. Our three key themes were selected based on feedback from our colleagues to align with Morningstar's commitment to sustainability while addressing global challenges. During the drive, Morningstar matches all donations up to USD 750 (or local equivalent) per employee through the Matching Gifts program.

53% Employees donated to non-profits using Matching Gifts in 2024

\$2.5 M Total donations from employees, Morningstar, and company match (USD)

82% Employees feel good about the way we contribute to the community

Key Offerings

Matching Gifts

Morningstar matches employee charitable giving to any US 501(c)(3) nonprofit or equivalent global organization up to USD 750 (or local equivalent) per employee per calendar year.

Dollars for Doers

This program recognizes employee volunteer efforts by making donations to match the employee hours spent volunteering. Morningstar provides USD 20 (or local equivalent) per hour volunteered to eligible causes up to USD 750 per calendar year.

Board Service Program

This program supports employees who seek to contribute to a nonprofit organization more deeply through holding a position on the nonprofit board. The Board Service Program provides ongoing training, networking, and financial support for aspiring and current board members looking to further develop valuable career skills.



26 Years With the Greater Chicago Food Depository

For over 26 years, Morningstar has proudly supported the Greater Chicago Food Depository in its mission to end hunger across the county. In fiscal-year 2024, the food depository served more than 2.4 million household visits through nearly 700 grocery-style programs. Morningstar's partnership includes volunteering during our Global Volunteer Days, with Chicago employees gathering at least once a year to assist with donation sorting, and donations made during our Global Giving Drive. In 2024, 94 employees volunteered, and 605 employees donated to the food depository, totaling USD 190,303, including the Morningstar match. Together, we're helping to nourish our neighbors and build a stronger community.

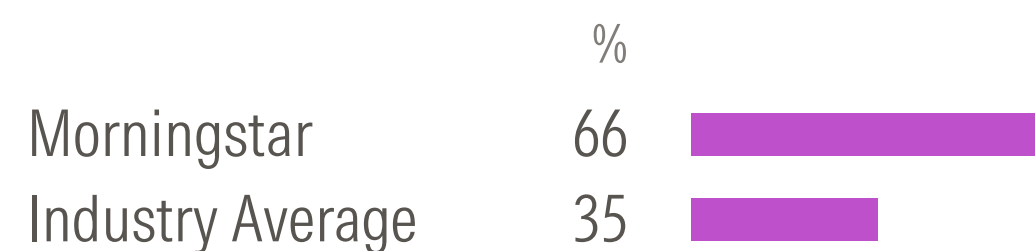
Volunteer Days Off

All global colleagues receive two paid volunteer days per year to give back to causes that matter most to them. This is distinct from regular paid time off and is meant to provide direct support for volunteer opportunities.

Changemaker Grant Program

Morningstar’s Changemaker Grant Program allows employees to apply for a grant to help amplify their individual community volunteerism. These grants can be used to support a number of efforts, such as volunteering abroad during an employee’s sabbatical or funding a race run for charity.

Percentage of Morningstar Involvement in Community vs. Industry Average^{xiv}



Program Spotlights

Investor Education for Indigenous Communities

Morningstar Australia partnered with the [First Nations Foundation](#) to introduce the first-ever investment education and training program designed for Aboriginal and Torres Strait Islander people. The online course offers an introduction to investing and aims to boost financial literacy within indigenous communities.

Early Investor Education in Chicago

For over 20 years, Morningstar has partnered with Walter Payton College Prep to educate Chicago area youth on essential financial knowledge, with the goal of improving their money management and investing skills for the future. On a monthly basis, volunteers teach students a variety of topics such as personal finance, the time value of money, the valuation of companies and mutual funds, and overall investment strategies.

Our long-term project with Sanctuary Nature Foundation embodies our commitment to biodiversity conservation and community empowerment. From education to rewilding, each initiative seeks to nurture both people and the planet for a more sustainable future.



Snehalata Bhogte
Associate Director,
Employee Experience

Sanctuary Nature Foundation in India

Morningstar India is sponsoring a three-year project with the Sanctuary Nature Foundation, with the goal of fostering long-term community impact. The project aims to establish a sustainable model of community-led conservation, enhance ecological health, and support livelihoods in and around the Sawai Madhopur region and the Ranthambore Tiger Reserve, Rajasthan.

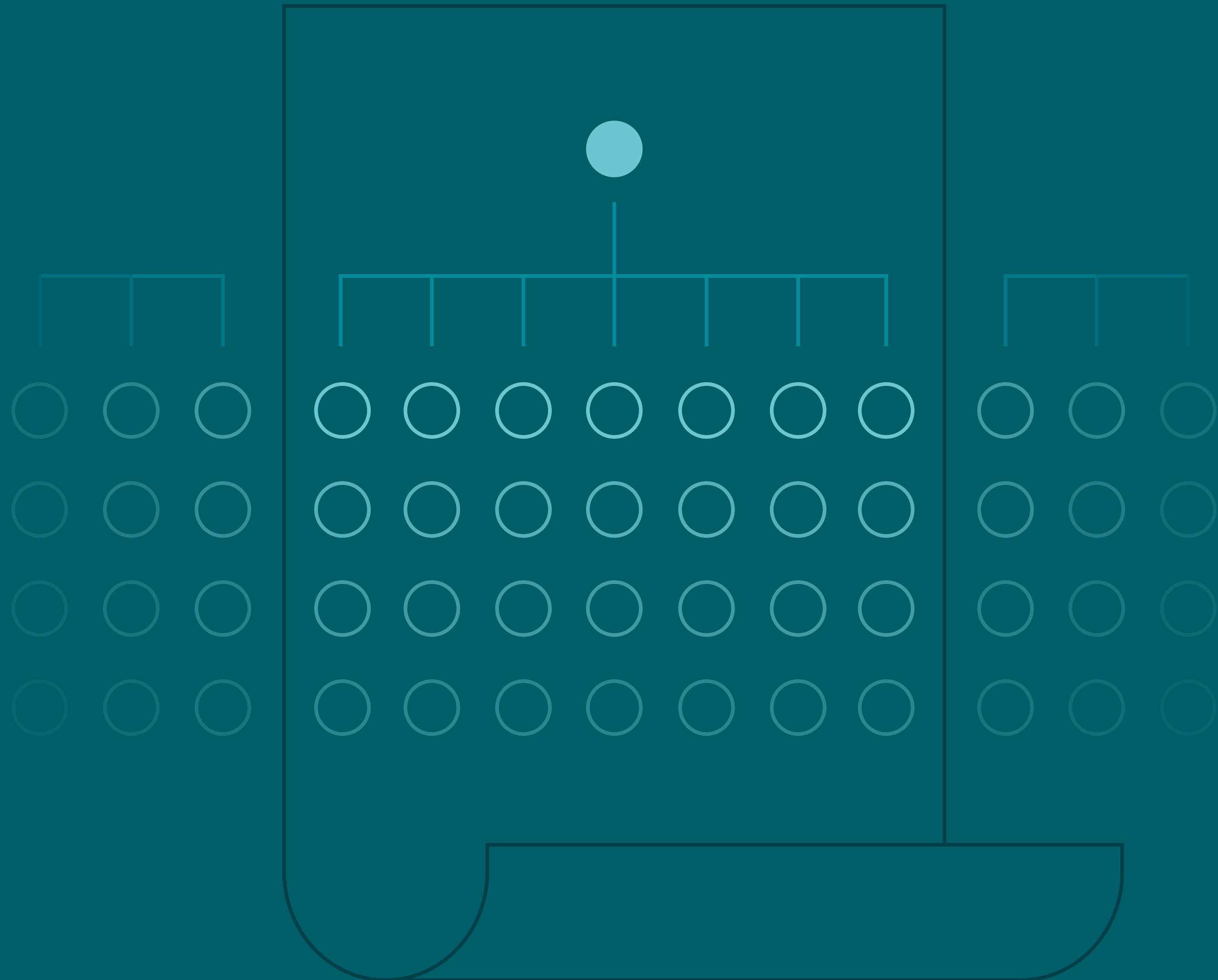
Governance

We believe oversight and accountability are critical to our ability to execute our business strategy.

We regularly assess our governance practices not only in line with our mission and brand principles but also in the context of current trends, regulatory changes, and recognized best practices.

Addressing Risks & Opportunities

Morningstar's governance principles address a variety of material risks inherent to our business model within the financial-services industry, including those associated with the management of professional ethics, intellectual property, competitive practices, and the publication of investment ratings. These issues are critical to Morningstar; our Annual Report examines these potential risks in greater detail.

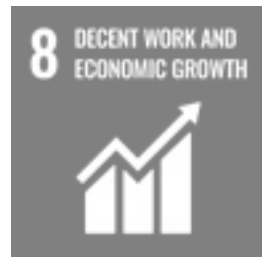


Governance Structure and Oversight

This is a material topic for Morningstar

Our commitment to governance and oversight has remained consistent over the years. We maintain a majority-independent board of directors composed of individuals with the skills, experience, and backgrounds to effectively oversee our business and long-term strategy. We have a deliberate approach to shareholder engagement, which includes consistent standards and regular, accessible, and equitable communication with investors of all types.

SDG Areas



Morningstar's 2024 Board of Directors. From left to right: Cheryl Francis, Steve Kaplan, Caroline Tsay, Bill Lyons, Robin Diamonte, Joe Mansueto, Gail Landis, Doniel Sutton, Steve Joynt, and Kunal Kapoor.

Governance Structure

Our Board of Directors

We value the independence of our active and experienced board members while leveraging the expertise and deep commitment of our founder and executive chairman, Joe Mansueto, and our CEO, Kunal Kapoor. Our board committees—Audit, Compensation, and Nominating & Corporate Governance—are composed entirely of independent directors. We believe this current structure benefits Morningstar by guiding and supporting our efforts to preserve our unique culture, promote our mission and values, and create long-term value.

In 2024, we updated our board retirement policy so that the mandatory retirement age of 73 only applies after a member has served a 10-year term.

Morningstar’s 2024 Board of Directors Composition

Board of Directors	#	%	
Female	5	50	● ● ● ● ● ● ● ● ● ●
Male	5	50	● ● ● ● ● ● ● ● ● ●
Race/Ethnicity: White ^{xv}	6	67	● ● ● ● ● ● ● ● ● ●
Race/Ethnicity: Asian	2	22	● ● ● ● ● ● ● ● ● ●
Race/Ethnicity: Black or African American	1	11	● ● ● ● ● ● ● ● ● ●
Independent	8	80	● ● ● ● ● ● ● ● ● ●
0–5 Year Tenure	1	10	● ● ● ● ● ● ● ● ● ●
6–10 Year Tenure	4	40	● ● ● ● ● ● ● ● ● ●
11–15 Year Tenure	1	10	● ● ● ● ● ● ● ● ● ●
15+ Years Tenure	4	40	● ● ● ● ● ● ● ● ● ●

Minimum Age

Average Age

Maximum Age



Board Oversight of Sustainability

Morningstar’s board of directors is supported by three independent committees: Audit, Compensation, and Nominating & Corporate Governance. The following synthesizes each committee’s respective areas of oversight as it affects Morningstar’s sustainability position:

- ▶ Audit Committee oversees topics of cybersecurity and fraud.
- ▶ Compensation Committee guides benefits, pay, and incentive practices.
- ▶ Nominating & Corporate Governance Committee reviews compliance and governance practices.

The board may establish special committees and leverage external experts or consultants to augment its oversight responsibilities. Company sustainability initiatives are integrated into a variety of agenda items at board and committee meetings. The Nominating & Corporate Governance Committee reviews the corporate sustainability strategy on an annual basis.

Access [Morningstar’s Committee Charters here](#).

Board Responsibility & Structure

Board of Directors

Oversight

- ▶ Oversee organizational health
- ▶ Oversee Code of Ethics
- ▶ Monitor succession planning for CEO and other senior executives

Counseling

- ▶ Advise on enterprisewide risks
- ▶ Assess and advise on company’s strategic plan
- ▶ Meet in executive session with business unit leaders and executives

Direction

- ▶ Approve annual budget
- ▶ Approve dividend and share repurchase program
- ▶ Approve significant strategic transactions and initiatives

Board Committee Considerations

Compensation Committee

- ▶ Approve incentive plan design and performance goals
- ▶ Review compensation policies, practices, and potential risks
- ▶ Review emerging compensation and benefit trends, best practices, and regulatory developments
- ▶ Determine CEO and other executive officer compensation

Audit Committee

- ▶ Oversee company’s financial reporting and Global Audit and Assurance function
- ▶ Appoint and oversee the work of company’s independent registered public accounting firm
- ▶ Discuss major financial, technology, business continuity, AI, and cybersecurity risk exposure
- ▶ Receive reports on questionable accounting and audit matters that have been reported

Nomination & Governance Committee

- ▶ Guide development of corporate governance policies
- ▶ Oversee compliance of stock ownership guidelines by directors and executive officers
- ▶ Direct the nomination process, on-boarding, and education of board members
- ▶ Assess and determine the appropriate qualifications, skills, and experience for the board

Management

The management team is responsible for leading the organization to achieve our current five major corporate goals, and reporting the progress made on achieving the goals to the board



Financial

Exceed companywide financial goals



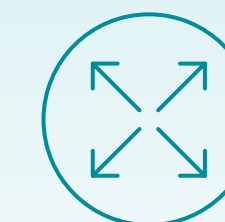
Insights

Deliver differentiated insights across asset classes that make us essential to public- and private-market investors



AI

Leverage advances in AI to drive innovation across internal and external products and services



Scale

Drive operational excellence and scalability to support profitable growth



Talent

Build an amazing culture that drives exceptional talent engagement and development

Shareholder Engagement

Morningstar's approach to shareholder engagement includes consistent and equal communication with investors of all types.

Our business is changing quickly, and in 2024, we expanded the cadence of communication between our CEO and our shareholders.

We introduced a quarterly shareholder letter, which examines key areas of business and highlights in the quarter. Additionally, we engage with shareholders in a range of ways:

- ▶ Answering shareholder questions through regular 8-K filings also available on our [website](#).
- ▶ Quarterly supplemental investor deck for further context on drivers of financial performance.
- ▶ Annual shareholders' meeting, where we provide updates on business strategy, financial performance, product deep dives, and ample time for Q&A from stakeholders.



Morningstar CEO Kunal Kapoor with founder and chairman Joe Mansueto.

Perspectives on Morningstar’s Evolution

A Conversation with Morningstar board members, Caroline Tsay and Gail Landis.



Morningstar Board Member, Caroline Tsay



Morningstar Board Member, Gail Landis

How has the board’s role changed over the years? What are some key considerations that exist now that may not have been as important a decade ago/20 years ago/when you first joined?

Caroline Tsay: When I think back to my early board experience, the level of engagement and the breadth of topics boards oversee have expanded tremendously. Today, boards play a far more proactive role, evolving beyond traditional governance to address complex issues.

It’s no longer just about reviewing and approving strategy. Boards are deeply engaged in discussions around long-term vision, industry disruptions, and competitive positioning. We’re expected to challenge assumptions and help management think critically about the future.

Gail Landis: This reminds me of three big strategic decisions during my time on the board; the CEO transition from Joe Mansueto to Kunal Kapoor, the 2016 acquisition of PitchBook Data, Inc., and the 2019 acquisition of DBRS.

Boards are deeply engaged in discussions around long-term vision, industry disruptions, and competitive positioning. We’re expected to challenge assumptions and help management think critically about the future.

It was essential for the board to be deeply involved to successfully navigate the transition from a founder-led company to second-generation leadership. Our board has always worked collaboratively, seeking to ensure the best outcomes for all stakeholders, and our close involvement in this transition was a great example of this approach. The board was fully supportive of both acquisitions, which were pivotal as they set Morningstar on a growth trajectory that continues to power us forward today.

Caroline Tsay: There has also been a major shift in how boards engage with shareholders and broader stakeholders. A decade ago, engagement was often reactive, responding

to issues as they arose. Now, there is an expectation for proactive dialogue on environmental, social, and governance factors, workforce diversity, ethical business practices, etc.—before they become activism issues.

Cybersecurity, AI governance, and geopolitical risks have moved to the forefront. Boards need expertise in these areas or must ensure the right advisors are in place to guide decisions.

Gail Landis: Morningstar has managed a rare trick—to stay true to its core values while leveraging its strongest assets—data and research—to extend its global business platform and its moat, or competitive advantage. The

board has played a key role during this period while continuing to evolve in a healthy manner.

How have you seen Morningstar’s approach to investors and transparency develop in the time you’ve worked with the firm?

Gail Landis: During the entire tenure of my board service, Morningstar has never wavered in its commitment to delivering investor data in the interest of greater transparency. Despite the monumental increase in proprietary data, we are continually striving to differentiate our offerings to investors by deepening and broadening our datasets.

The acquisitions we made have positioned us to compete in a broader set of asset classes, but they also challenged us to simultaneously move faster while developing innovative solutions to meet investor and client needs. The pace of change—both technologically and in investor preferences—has pushed us even harder to develop creative and differentiative solutions.

Caroline Tsay: I agree that Morningstar has evolved its approach by leveraging technology to provide deeper insights and make complex data more accessible.

When I first joined, for example, PitchBook was primarily a resource for venture capital and private equity deals. Today, it’s a powerful, data-driven platform offering deep insights into private and public markets. That transformation reflects how Morningstar continuously adapts to meet the evolving needs of investors. As data has become more abundant—and in some ways, more overwhelming—Morningstar has focused on distilling it into meaningful, actionable insights. This balance of technology, rigorous analysis, and commitment to transparency ensures that investors can make confident, well-informed decisions in an increasingly complex world.

We’re in a period of great change; we operate in countries that have different needs, different expectations, and different regulatory environments; how can Morningstar stay on top of these rapid shifts?

Caroline Tsay: For me, success starts with people—hiring top talent, fostering agility, and building a culture of continuous learning. The ability to move fast and adapt is more important than ever. I also see technology and data-driven insights as critical enablers of Morningstar’s long-term success. Investing in regulatory intelligence, customer-focused innovation, and advanced analytics helps us navigate complexity while empowering investors. The financial landscape isn’t getting any simpler, but by staying true to its mission, having great people, and an agile way of working, I believe Morningstar will continue to lead in helping investors make informed decisions.

Gail Landis: As a board member, I also want to emphasize the importance of having

diverse perspectives in the board room from our independent directors and our senior leaders. We are in the knowledge business and to me that means we must proactively seek out the best talent available. If we want to have an industry-leading competitive position, we must not restrict the tools we use to attract and recognize talent.

Regarding the regulatory environment, Morningstar has been able to successfully meld meeting legal requirements globally with decisions that best serve the needs of our clients. The challenge we face today is the divergence between the domestic regulatory environment and the global requirements in major client centers. If we lean into our values and keep a focus on providing investors with the depth and quality of information they require to make the most informed decisions, we and they will be well-served regardless of the rapid shifts in the macro environment.

Business Ethics

This is a material topic for Morningstar

Morningstar's standards for ethical behavior are the foundation for our work and are cemented in our values. These standards inform our strong client relationships and foster a positive work environment for our people. We regularly review our policies to assess material risk in an evolving landscape and to meet the needs of our growing organization.



SDG Areas



Colleague reads at the Morningstar Chicago Headquarters.

Key Morningstar Policies



[Code of Ethics](#)



[Anti-Bribery & Corruption Policy](#)



[Human Rights Policy](#)



[Anti-Slavery & Human Trafficking Statement](#)

Independent research is central to our reputation, and we work to continually review and improve our compliance practices and aim to remove or mitigate actual or perceived conflicts of interest in our business and processes. We also have compliance teams

focused on business units with heightened regulatory requirements.

Leading With Our Code of Ethics

Morningstar's Code of Ethics is designed to guide our firm's decision-making, and our high standard for ethical behavior serves as a foundation for our work and aims to create a positive work environment for all employees. It also provides guidelines to maintain integrity and accuracy of our data, research, and ratings. It outlines expectations related to hiring, purchasing, confidentiality, and conflicts of interests, among others.

The code is reviewed on an annual basis by our leadership team, the Nominating & Corporate Governance Committee, and the board of directors as part of its oversight of key risks and compliance practices. We also consider input from key stakeholders to maintain relevance in all areas of the business.

In 2024, Morningstar updated its political contributions policy to highlight that, while

Morningstar supports employee participation in the political process, Morningstar does not use corporate funds to donate directly to any political organizations.

Additionally, Morningstar maintains a confidential 24/7 ethics hotline, where employees may anonymously express concerns or report Code of Ethics violations. Reports submitted to the hotline are thoroughly investigated, and if appropriate, corrective action is taken.

Ethics Trainings

We provide training on Morningstar's global policies and our expectations for our employees upon hiring and on an annual basis. In 2024, this included trainings on Anti-Slavery and Human Trafficking, Human Rights, Anti-Bribery and Corruption, Information Security, Enterprise Resilience, and Anti-Harassment.

Responsibility in Artificial Intelligence Adoption

As adoption of artificial intelligence grows in our processes and product offerings, we

83%

Employees report acting ethically and with integrity takes priority over achieving business results

93%

Employees have certified compliance with the Code of Ethics

recognize the need to set clear guidelines for usage. In 2023, we established Morningstar's Responsible AI Council, which is charged with setting the framework for deploying AI in a manner consistent with our values and generally recognized responsible AI principles. The Responsible AI Council is composed of a cross-functional group of Morningstar leadership and has developed principles to facilitate the responsible rollout of AI adoption.

Business Operations

Our business operations are characterized by a focus on privacy and security and a commitment to measure and manage the firm's global environmental footprint. This enables us to adopt our organizational approach to efficiency and environmental impact reduction.

Addressing Risks & Opportunities

With respect to data governance practices, we focus on addressing material risks in our business, including how we collect, use, manage, and protect data. We emphasize measures designed to ensure the safe and secure use and maintenance of customers' personally identifiable data. For our environmental impact, we focus on measuring and reducing emissions where possible and managing potential physical and transition risks.



Data and Information Security

This is a material topic for Morningstar

Establishing trust with our stakeholders is essential to sustaining a durable, future-focused organization. We are committed to safeguarding information and dedicate significant effort and resources to protecting the data of our clients, colleagues, and partners.



SDG Areas



IT team helps colleague at the mPower.Lounge.

Privacy Program

Morningstar’s privacy program shapes the protection of customer and employee personal data. The program includes policies and procedures designed to ensure that personal data from clients and employees is managed and used appropriately across the firm. The program is managed by the privacy office, comprising members of the information security and legal teams. Oversight is provided by Morningstar’s chief information security officer and legal head of privacy. This work is subject to oversight by the board’s Audit Committee.

Information Security Program

Morningstar’s dedicated Information Security team operates a program led by the chief information security officer. This team also manages a third-party risk-management program to assess vendors, subcontractors, and other external partners handling confidential and personal information. These evaluations are conducted both before establishing contractual relationships and continuously throughout the arrangement.

In 2024, we made significant progress in enhancing our security operations. We introduced advanced data protection technologies, taking a major step forward in safeguarding sensitive information. Security improvements include a specialized security tool for APIs and a shift from annual assessments of major products to more frequent assessments, aimed at strengthening our ability to identify and address vulnerabilities more effectively.

Enterprise Resilience Program

Morningstar’s Enterprise Resilience program is designed to ready our people, offices, technology, and supporting business processes for swift recovery in the face of business disruption events. An integral part of Enterprise Resilience is developing and maintaining Information Technology Disaster Recovery capabilities. The DR process starts with architecting resilient products and employing mitigation techniques that minimize impacts of incidents. Our analysis indicates that 95% of our application-based revenue is resilient

to unexpected outages, including those triggered by security incidents. Recognizing the inevitability of incidents, we have developed detailed DR plans aimed at enabling us to recover from incident impacts that may cause service disruptions or data loss. These plans are tested and validated regularly for continued readiness. DR testing occurs annually or with significant changes to business processes or technology. In 2024, 95% of DR tests performed on our products were successful.

For additional details on our programs and their relative standards and framework alignment, visit Morningstar’s Privacy Center and our Approach to Data and Information Security Statement available at our [Sustainability Policies and Reports Center](#).

0

Number of material security incidents

95%

Percentage of successful DR tests

95%

Percentage of application-based revenue protected during DR test

Employee Responsibility in Data and Information Security

A company’s employees represent one of its greatest sources of information security vulnerability. Research indicates^{xvi} that critical incidents in the global marketplace commonly stem from tactics targeting a company’s employees. We seek to manage this risk through employee training and awareness exercises throughout the year. Morningstar employees are required to complete several annual training courses covering general information security education, Morningstar’s security policies, social engineering tactics (such as phishing), and methods to report and respond to security events.

We conduct role-specific training for targeted groups, including our treasury and developer teams, as well as for our board of directors. These specialized trainings are now an integral part of our program. Additionally, we conduct quarterly phishing exercises to help employees recognize and report suspicious emails, seeking to reinforce their knowledge and response capabilities.

To further protect employees’ access to Morningstar systems and applications, we utilize Okta, an identity and access management platform. This system centralizes and controls employee access to resources and applications, adding an extra layer of security and enhancing overall protection.

Defining and Disclosing Security Incidents

We have established processes for identifying “material” security incidents as required by the US Securities and Exchange Commission rules on security incident disclosures. Potentially significant security incidents are escalated to our Cyber Incident Disclosure Committee, which determines whether the incident is “material” and should be reported to the SEC in a Form 8-K filing. To strengthen our preparedness and minimize the likelihood and impact of such incidents, Morningstar has invested significant resources in building robust incident response capabilities, enhancing monitoring systems, and ensuring our teams are well-equipped to address potential threats.



Conversing at the Morningstar London office.

Environmental Impact

This topic is prioritized by our employees & stakeholders

We aim to reduce Morningstar's impact on the environment while expanding the growth of our business and the reach of our products. Morningstar is uniquely suited to support investments in innovative solutions to global climate change through our product offerings, which are built to serve investors of all types. We understand that limiting global emissions requires a whole economy in transition and that systemic change requires ambitious commitments across the financial system. Our goals pertaining to climate support our path toward environmental impact reduction.

SDG Areas



Morningstar Mumbai office colleagues participate in Global Volunteering Days.

Environmental Management

Morningstar’s environmental impact is less significant than firms in heavy-emitting industries. As a provider of climate data, research, and solutions, we embrace transparency when it comes to setting, communicating, and tracking our progress toward our decarbonization goals: reducing our measured emissions by 50% by 2030 and reaching net zero emissions by 2050. Our most significant areas of measured impact are our physical office spaces, cloud data centers, and business travel. Over time, we aim to expand the scope of our measurement efforts, seeking to fully quantify emissions sources such as those within our supply chain. We regularly assess our performance against industry peers. We consider our targets robust, reachable, and reflective of our commitment to supporting future climate and economic transitions.

Sustainability in the Supply Chain

In 2024, we expanded support for sustainability efforts in our supply chain. We further developed internal-facing policies like our global travel policy, emphasizing sustainable decision-

making in business travel. We also created a new sustainable in-office catering policy that prioritizes environmentally and socially responsible suppliers. Like other financial-services providers, our effort to build a sustainable business involves our capacity to measure and influence sustainable practices beyond our immediate control. We’re prioritizing efforts to enhance our supply chain data with a particular emphasis on supply chain emissions and vendor management. We plan to invest in our internal vendor management and implement supplier performance and risk-management tools across our vendor partnerships. We aim to align our vendor management processes with corporate standards and industry best practices while advancing strategic initiatives to enhance operational efficiency and strengthen supplier relationships.

External Partnerships

Our Support for Carbon Markets

Climate transition planning requires investment in carbon market expertise. Since 2021, Morningstar has worked with [Climate Vault](#) to

balance the scale of our measured emissions. Climate Vault purchases carbon emissions permits from cap-and-trade compliance markets in proportion to our carbon emissions, measured in tons. These permissions are then “vaulted,” limiting their availability to emitters. Because the number of permits is capped in North America, this decreases the amount of global carbon dioxide pollution allowed by government regulators. Crucially, Climate Vault works in regulated markets and provides transparency of market pricing.

Net-Zero Data Public Utility

This is a global, centralized database containing public-and private-sector climate data, which is essential to understanding the performance of companies and governments when it comes to climate transition and net zero goals. Morningstar has served as a technical advisor to this initiative since 2022. The NZDPU prototype, launched in 2023 at the COP28 UN Climate Change Conference, provides scope 1–3 greenhouse gas emissions data and reduction targets for approximately 400 companies based on their CDP disclosure.

63%

Morningstar’s critical and high-priority suppliers have a public climate commitment^{xvii}

Enhancing Our Data & Disclosure

In 2024, we continued to focus on improving the accuracy and quality of Morningstar’s disclosed emissions data and other environmental datasets. We use Salesforce’s Net Zero Cloud to gather and calculate data from our global facilities, procurement, and technology teams; this year, we are reporting on our scope 3 cloud service provider emissions for the first time. Additionally, in this report, we restate our prior-year emissions to account for newly available data pertaining to our office-building HVAC systems.^{xviii} The HVAC restatement resulted in an increase of our scope 2 emissions for 2019 through 2023 and a slight decrease in the percentage of consumption classified as renewable energy. For example, during the review of our HVAC systems, we discovered one of our New York offices used district steam instead of natural gas, resulting in a decrease of scope 1 emissions for 2019 through 2023.

We have also focused on optimizing and streamlining our reporting and overall disclosure processes. This year, we:

- ▶ Published our [2024 Climate Transition Update](#) concurrent with this report, adding a supplemental detailed progress report on our decarbonization effort.
- ▶ Disclosed environmental data to [CDP](#) for the first time.
- ▶ Disclosed our climate-related risks and opportunities through our [2023 Task Force on Climate-Related Financial Disclosures report](#).
- ▶ Added mandatory employee training on [Morningstar’s Environmental Statement](#), outlining how the firm can advance its environmental impact reduction efforts in manner consistent with our publicly stated goals.

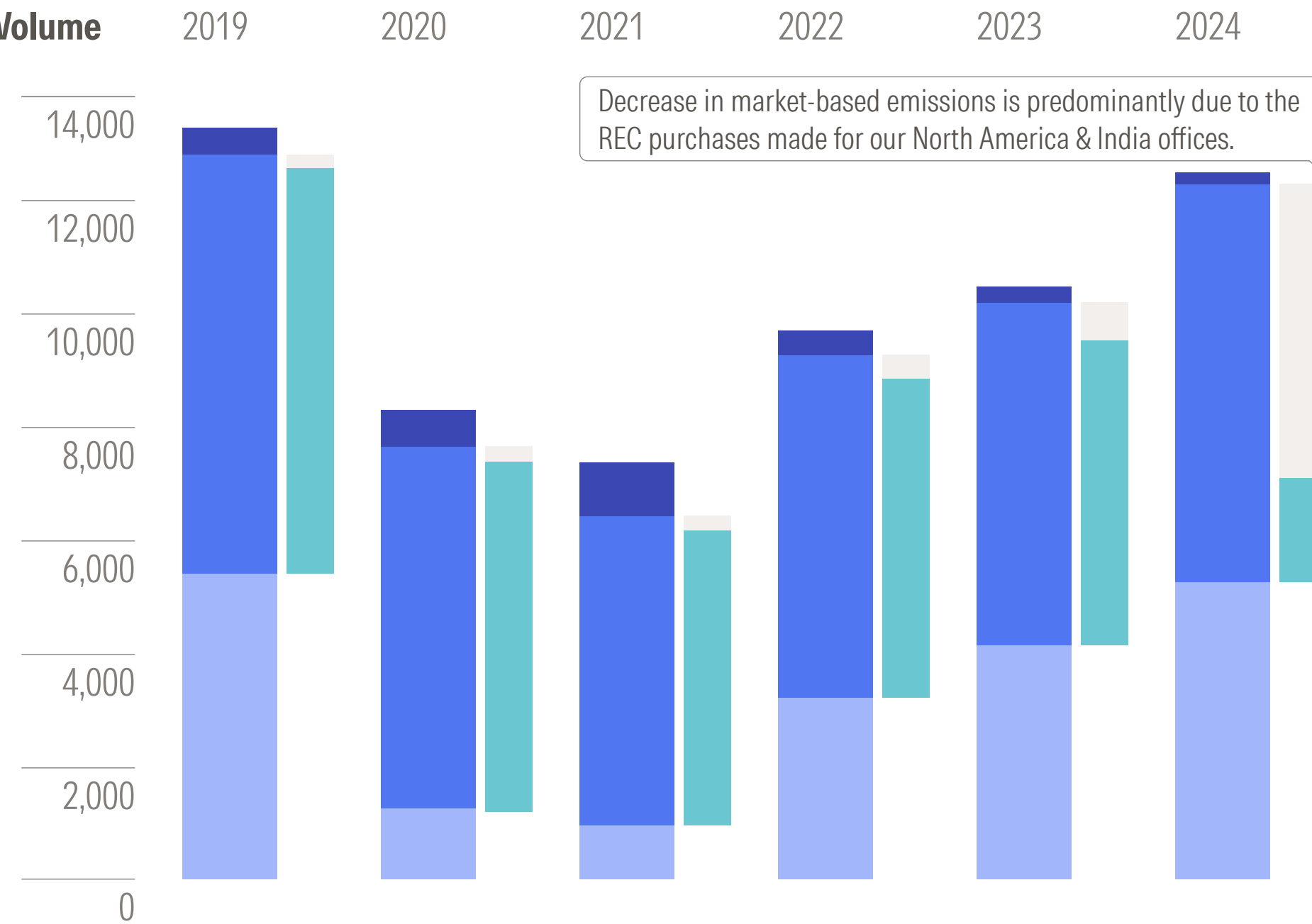
The changes we made reflect a strengthened environmental data disclosure program, allowing us to build better strategies for decarbonization. These efforts reflect our commitment to align our reporting with industry best practices and provide stakeholders with comparable data and information.



Virtual meeting in a breakout room.

Environmental Impact: Our Contributions

Scope Emissions by Volume
(tCO₂e)



● Scope 1	474	580	616	367	290	239
● Scope 2 Location-Based	7,838	6,485	6,342	6,672	6,771	6,867
● Scope 3	5,406	1,200	890	2,953	4,102	5,663
Total	13,718	8,265	7,848	9,992	11,163	12,769

● Scope 1	474	580	616	367	290	239
● Scope 2 Market-Based	7,813	6,382	6,066	6,270	6,176	1,932
● Scope 3	5,406	1,200	890	2,953	4,102	5,663
Total	13,693	8,162	7,572	9,590	10,568	7,834

Scope Emission Details
(tCO₂e)

	2019	2024	
● Scope 1			
Fuel	352	239	32% ↓
Fugitives	122	0	100% ↓
● Scope 2 Location-Based			
Electricity, Steam, Heating, and Cooling	7,838	6,867	12% ↓
● Scope 2 Market-Based			
Electricity, Steam, Heating, and Cooling	7,813	1,932	75% ↓
● Scope 3			
Air Business	4,120	4,325	5% ↑
Hotels	658	536	19% ↓
Rail Business	49	38	22% ↓
Road	373	319	14% ↓
Waste	206	97	53% ↓
Cloud Services	N/A	348	

Morningstar's Emissions

In 2024, Morningstar's total (location-based)^{xix} emissions were 12,769 metric tons of carbon dioxide equivalent (tCO₂e), an increase of 1,606 tCO₂e from last year and total (market-based) emissions were 7,834 tCO₂e, a decrease of 2,734 tCO₂e from last year. This location-based increase was primarily due to increased business travel throughout 2024, which caused our reported scope 3 emissions to rise. Along with improvements in data quality, our total scope 1 emissions decreased, largely due to office closures in 2023 and early 2024. Our scope 2 (location-based) emissions remained consistent with prior years, while our scope 2 (market-based) emissions significantly decreased due to the renewable energy certificate purchases in North America and India. To quantify the intensity of this impact, we measure our total emissions per million dollars of revenue. Our full-year revenue was USD 2,275.1 million; leading to 5.6 (location-based) and 3.4 (market-based) tCO₂e per million dollars in 2024, an increase from 5.5 (location-based) and decrease from 5.2 (market-based) tCO₂e per million dollars in 2023.

Location-Based Emissions

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

Market-Based Emissions

A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).

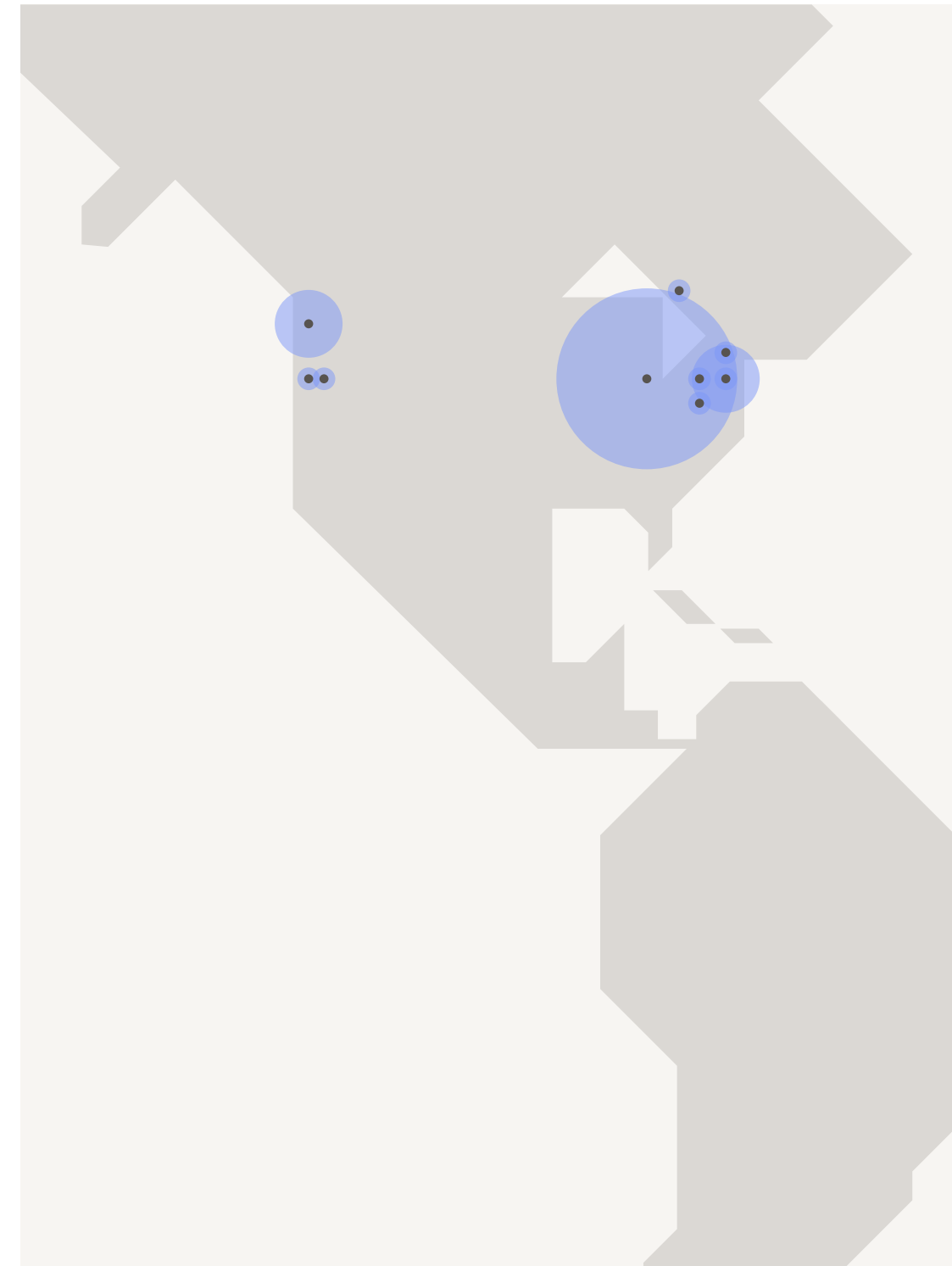
Emissions Intensity by Region

This visual demonstrates the percentage of total GHG emissions (location-based) from our office electricity by region, compared with the percentage of total GHG emissions reduced due to Renewable Energy Certificate (REC) purchases (market-based). As an example, in North America we have reduced our total GHG emissions (market-based) from our office electricity by 100%. In 2024, our total North American electricity usage (MWh) was 9,390. We purchased one REC for each MWh of electricity consumed.

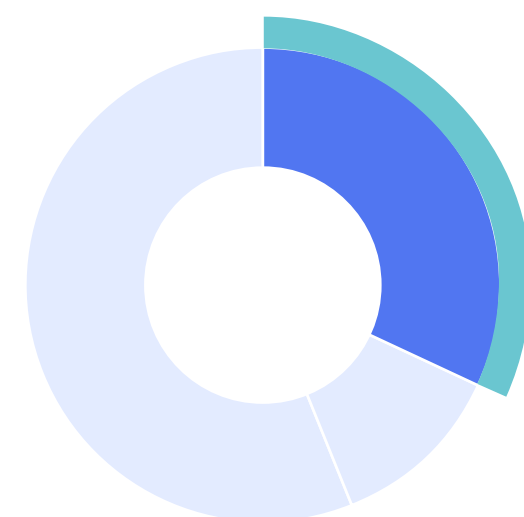
- Morningstar office

Emissions by office

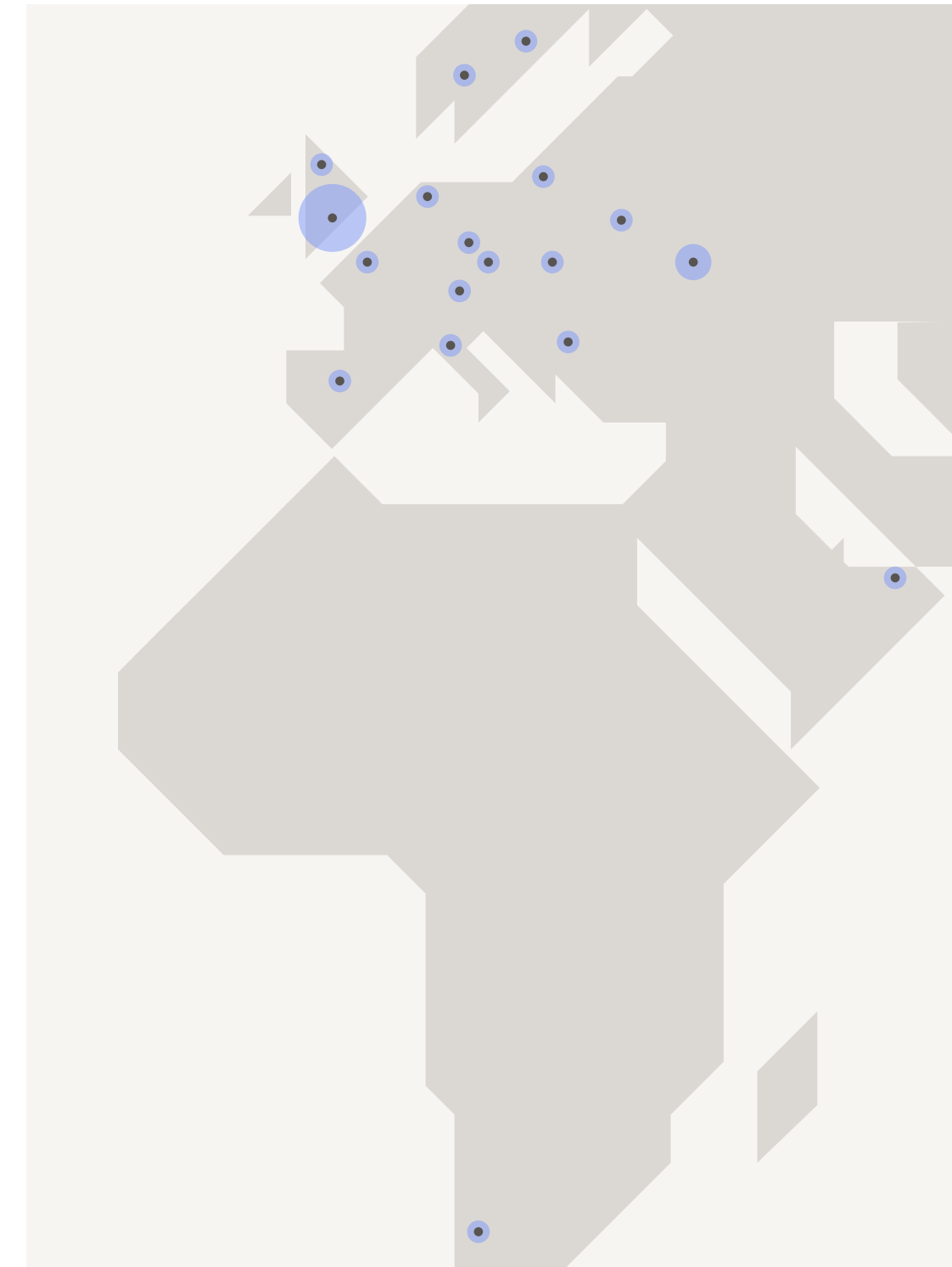
- 1% or less
- 1.01% to 5%
- 17% or higher



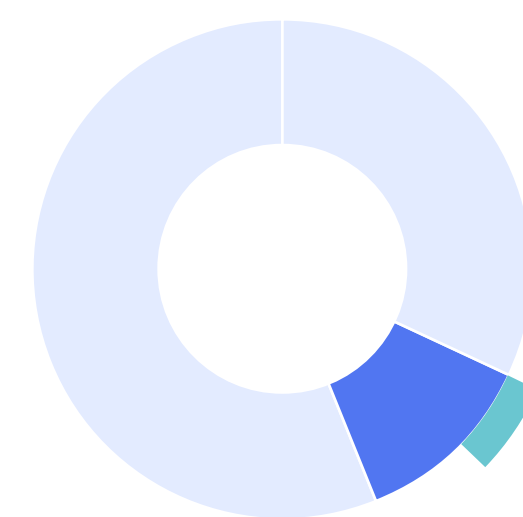
Americas



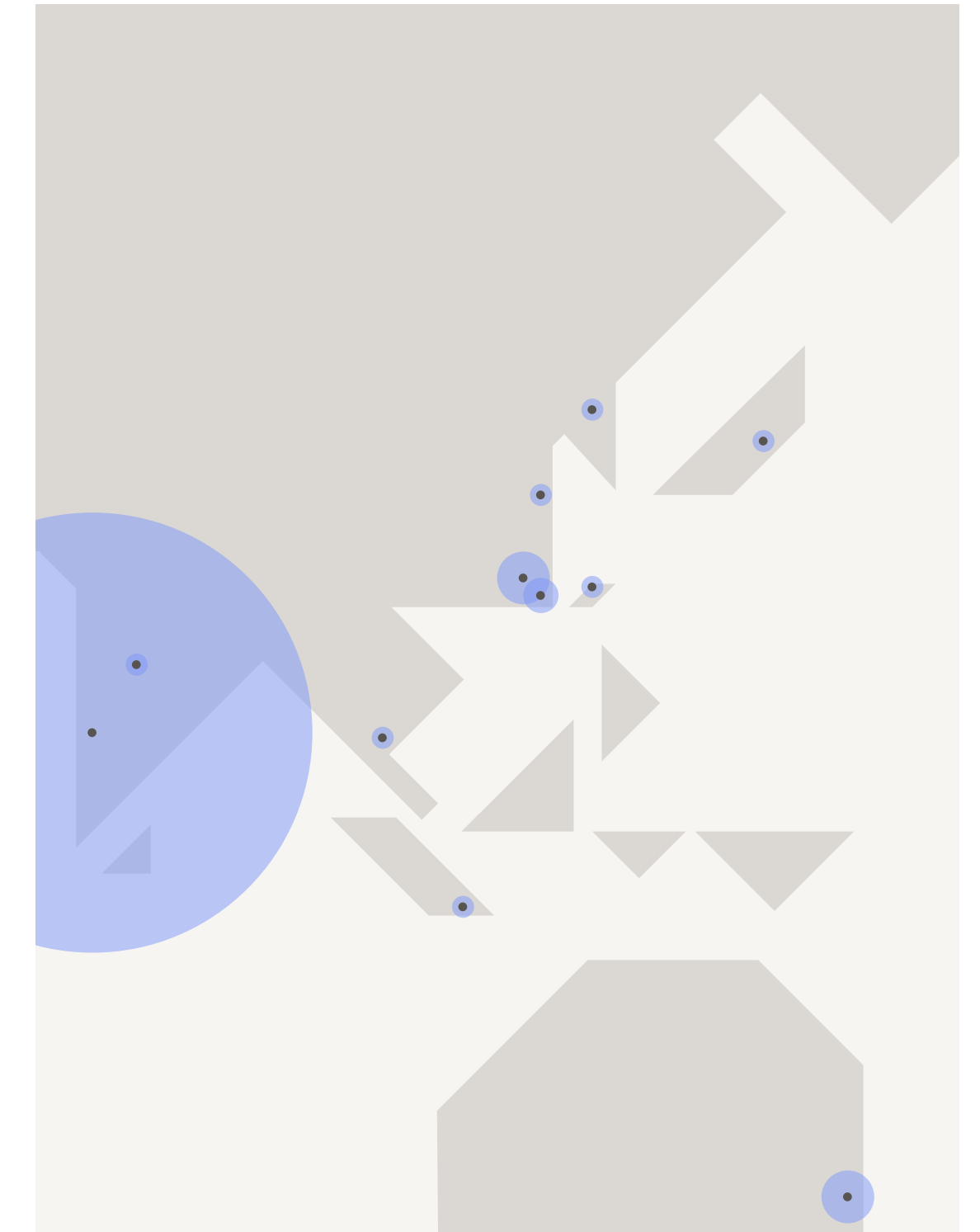
- Percentage of global office electricity-based emissions 39%
- Percentage of office electricity-based emissions reduced via RECs 100%



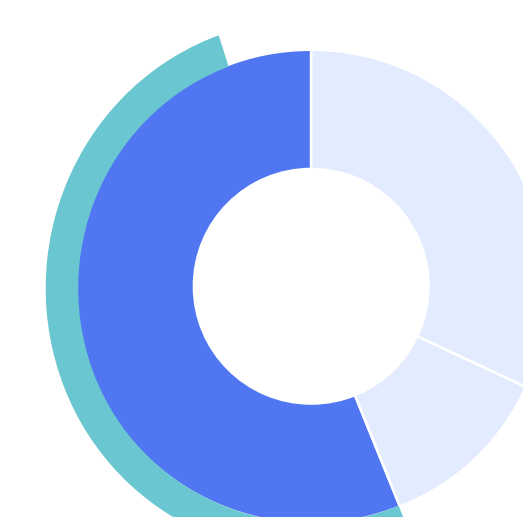
EMEA



- Percentage of global office electricity-based emissions 11%
- Percentage of office electricity-based emissions reduced via RECs 47%



APAC



- Percentage of global office electricity-based emissions 50%
- Percentage of office electricity-based emissions reduced via RECs 90%

Managing Our Global Footprint

Morningstar focuses its impact reduction efforts on four key pillars, which we examine in more detail in the firm's [2024 Climate Transition Update](#).

Real Estate Selection & Integration

We continue to focus on the environmental impact of our office spaces, prioritizing landlords who demonstrate a readiness and openness for sustainability. We further integrated sustainability considerations into our operations, real estate decisions, and workplace design.

Waste Consumption

We believe our efforts to minimize the use of goods destined for landfills is best examined through disclosure of consumption per employee. We have continued to work with landlords to introduce waste reporting and improved recycling. In 2024, we started to receive waste reports for an additional six offices, including Chicago and our two offices in Mumbai, where a large proportion of our workforce is located, and we also improved our waste estimate methodology to incorporate office utilization metrics. The positive impact of the data rom improved reporting is reflected in our disclosure.^{xx}

Water Consumption

Managing water consumption is crucial to improving operational efficiency and easing pressure on natural resources. While Morningstar's operations do not have a material impact on the world's water supply compared with other industries, we've prioritized understanding and managing our usage where we can. We have implemented water reduction efforts through employee education and continued adoption of water-efficient appliances in Chicago.

Energy Usage

In 2024, our electricity, fuel, and heating consumption was 22,137,637 kWh–1,997 kWh per employee. We reached a significant milestone in reducing our scope 2 emissions by migrating physical data centers to the public computing cloud. Moving to third-party providers reduces our on-site electrical demand; cloud service providers enable economies of scale and are better positioned to secure large-scale and direct sources of renewable energy. We seek to prioritize energy efficiency and low emissions intensity in all our providers.

64% Percentage of square footage that is environmentally certified office space

27 Kilograms of waste per employee

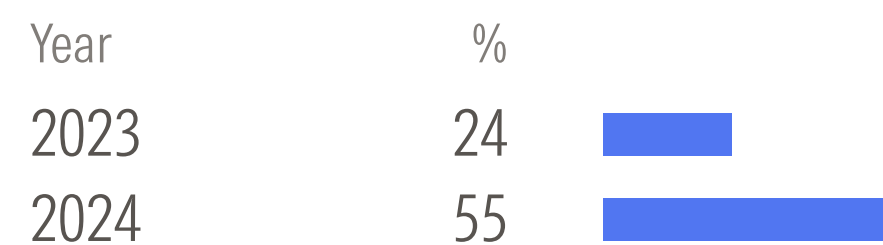
18 Cubic meters of water consumption per employee

1,997 Total kWh per employee

35% Percentage of Morningstar offices run on 100% electricity

Percentage of waste that is recycled, composted, or anaerobically digested

3.7 M Data center energy consumption (kWh)



73.3% Percentage of electricity consumption that is renewable

Our Approach to Renewable Energy

To reduce measured emissions, Morningstar intends to increase the amount of renewable energy used by our offices. This year, we focused on reducing measured emissions from our electricity usage, which sits within scope 2 reporting. Of our scope 2 location-based emissions, 98% comes from electricity purchases, with 82% of those emissions belonging to our leased offices.

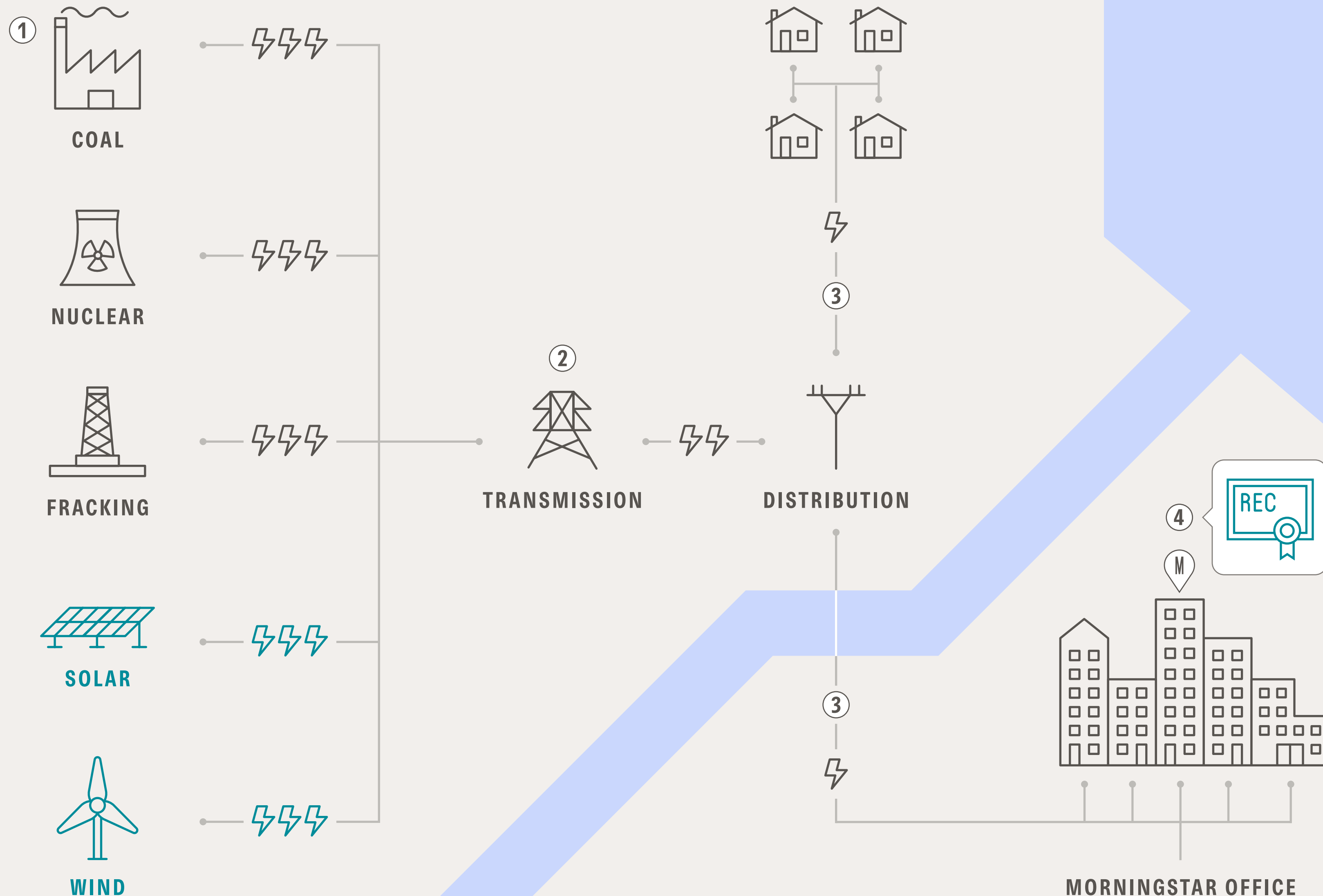
After analysis, it became clear that the most viable option for Morningstar, and other firms of our size and emissions intensity, is to purchase renewable energy through a market-based instrument called a renewable energy certificate.

When purchasing RECs, our goal is to pursue projects that are:

- ▶ **Standardized**
We want assurance that the renewable energy claims are credible. This means prioritizing REC purchases from an existing, specific, renewable asset located as close to our office's physical location as feasible.
- ▶ **Transparent**
We want insight, such as tracking and reporting mechanisms, into the specific site we purchase renewable energy from to verify renewable energy generation and REC retirement.
- ▶ **Market-Driven**
We want to stimulate the renewable energy market by increasing demand for green energy production in the regions our offices are in and increasing renewable energy going into the region's electrical grid.
- ▶ **Scalable and Flexible**
We want to be able to adjust REC purchase volumes based on our needs and market conditions even when we, as tenants in multitenant buildings, do not have control over our electricity provider.



Conversing over coffee at the Morningstar London office.



Understanding Renewable Energy Certificates

- ① Power plants generate electricity through various technologies that use fossil fuels, nuclear fuels, or renewable energy. While each resource generates varying levels of emissions, renewable energy sources, like solar and wind, produce electricity without any direct emissions.
- ② After electricity is generated, electrical equipment such as high voltage lines, substations, and transformers safely transmit the flow of electrical charge from its point of generation to the area where it is finally distributed to customers (More commonly known as “the grid”).
- ③ The electrical grid is a complex and interconnected system with no way to differentiate if the electrical flow to your home or office was generated via renewable energy. This is where renewable energy certificates come into play.
- ④ RECs serve as proof that 1 megawatt hour of energy was generated via renewable sources. RECs play an important role in accounting, tracking, and assigning ownership to renewable energy generation and use. When Morningstar purchases RECs, we can mitigate our office electricity-based emissions by matching 1 MWh of electricity consumed with 1 REC, as per guidance by the GHG Protocol. These REC purchases are reflected in an organization’s reported market-based emissions.

North America Renewable Energy Procurement: Texas Priddy Wind Project

A conversation with Maya Teleki and Kelsie Armstrong.



Maya Teleki
Global Head,
Facilities Management



Kelsie Armstrong
Senior Sustainability
Implementation Specialist

Tell us about the Texas Priddy Wind Project.

Maya Teleki: The Priddy Wind Project, southwest of Dallas, is a 63-turbine project. In 2023, we purchased RECs from the Priddy Wind Project in Texas equal to the total kilowatt-hour consumption of our Chicago headquarters each month. Then, in 2024, we expanded on this initial commitment to cover our total North American emissions. Through this process, we've been able to learn a lot about renewable energy certificate procurement.

Morningstar determined the most viable solution for purchasing renewable energy is through renewable energy certificates. What considerations were made when selecting the Texas Wind Project RECs?

Kelsie Armstrong: Our priority was to be confident that the RECs we purchased were high quality. We aimed to ensure that our RECs were:

- ▶ **Standardized**
As per the GHG Protocol scope 2 guidance, by purchasing project-specific RECs from

◻◻ In 2024, we expanded our commitment to managing our emissions and renewable energy and, in the process, our teams have learned a lot about REC procurement. ◻◻

the Texas Priddy Wind Project, we're able to reduce our scope 2 emissions.

- ▶ **Transparent**
ENGIE will retire the project-specific Green-e® RECs on Morningstar's behalf, providing an attestation confirming the number of RECs retired, type of REC retired, facility ID, generation period, and reporting year.
- ▶ **Market-Driven**
Purchasing project-specific RECs supports the development of a specific renewable resource and technology type.
- ▶ **Scalable and Flexible**
In many of our offices throughout North America, our landlords control the utility

contracts but are yet to purchase renewable energy on our behalf. Through purchasing unbundled RECs, we are still able to make an impact without needing to rely solely on landlord decision-making.

How does purchasing RECs in Texas mitigate electricity-based emissions in offices across North America?

Maya Teleki: Purchasing RECs in Texas helps reduce our market-based electricity emissions used in Morningstar offices across North America. According to the CDP, since North America shares a highly interconnected electrical grid, it is considered a single market for electricity-related scope 2 emissions claims. Morningstar can pair RECs with its consumption

of purchased electricity and claim the decarbonization of those RECs, as long as the generation of renewables is within the same market boundary.^{xxi} By supporting a renewable energy project that is a part of this interconnected grid, we can reduce our own market-based emissions while reducing the overall carbon footprint of the grid.

What impact has this REC purchase had on Morningstar’s emissions and broader sustainability commitments? How is Morningstar seeking to evolve its renewable energy procurement strategy?

Kelsie Armstrong: This has been an exciting time for us. Previously, Morningstar has reported that the majority of our reported emissions are primarily due to our scope 2 electricity usage. This partnership with ENGIE means that Morningstar will be mitigating electricity-based emissions for all our North America offices. Purchases for 2024 are reflected in our reported market-based emissions data, showing a 75% reduction in scope 2 emissions.

We’re also looking to expand our renewable energy procurement. In this journey, we chose to prioritize the most emissions-intensive regions first. In 2024, we were also able to purchase RECs for our India offices from a wind energy project located in the Tamil Nadu region, southeast of Mumbai. These purchases help us work toward our goal to become net zero by 2050 and influence broader market trends by increasing demand for green energy sources. Our hope is that by participating in developing renewable energy markets, we will drive demand for and supply of renewable energy assets, incentivizing developers to construct additional green energy projects.



Priddy Wind Project in Dallas, Texas.

Appendix

Morningstar is focused on incorporating sustainability data across our business lines through research, solutions, and services. Because of this, we understand the importance of disclosing the sustainability datasets most pertinent to our own business.



Sustainability Data

Morningstar applies its own research and tools to prioritize transparency and sustainability throughout its workplace, governance, and business operations. Our reporting and data disclosure is led by materiality. When determining data disclosures, we use Morningstar Sustainalytics’ materiality framework as an input to assess the topics most important to our organization and our industry. Outlined below are the definitions of Morningstar Sustainalytics’ Material ESG Issues that pertain to Morningstar’s business, which have guided the data disclosure on the following pages.

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.

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.6 Data Privacy and Security

Data Privacy and Security focuses on data governance practices, including how companies collect, use, manage, and protect data. The

emphasis is on measures taken to ensure safe and secure use and/or maintenance of customers’ personally identifiable data.

MEI.8 Carbon—Own Operations

Carbon—Own Operations refers to a company’s management of risks related to its own operational energy use and greenhouse gas 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.

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.

In this appendix, we reference external standards alignment including the Sustainability Accounting Standards Board, the Global Reporting Initiative, and the U.N. Sustainable Development Goals. GRI and SDG codes are disclosed at the data point level. To review our SASB-aligned report, see Page 75. For a more comprehensive overview of our SDG alignment, see Page 81.

This report covers data as of Dec. 31, 2024. In some instances, the data tables include 2019–23 data for comparison purposes. This provides insight into areas of growth or challenge as we progress as a firm.

Employee Engagement

[MEI.13 Human Capital]

Metric	Framework Alignment	2020	2021	2022	2023	2024	Page Number
Employee Engagement	SASB: SV-PS-330a.3	79%	79%	80%	69%	64%	24
Employee Turnover Rate	GRI: 401-1	12.0%	18.5%	18.9%	21.7%	16.6%	24
Voluntary Turnover	GRI: 401-1, SASB: SV-PS-330a.2	—	17.1%	15.8%	11.8%	13.1%	24
Involuntary Turnover	GRI: 401-1, SASB: SV-PS-330a.2	—	1.4%	3.1%	9.9%	3.5%	24
Retention Rate	—	—	—	—	80.2%	85.2%	24
Internal Hiring Rate	—	—	—	—	52%	54%	23
Average Tenure (Years)	—	—	—	—	4.4	5	23
CEO Pay Ratio	GRI: 2-21	126:1	88:1	114:1	114:1	125:1	—
Great Place to Work Score	—	81	84	88	76	72	24
Percentage of Employees Who Report Feeling Motivated to Go Above and Beyond What’s Expected of Their Role	—	85%	86%	84%	—	67%	24
Percentage of Employees Who Report Understanding How Their Work Is Connected to Company Strategy	—	87%	88%	89%	83%	86%	24

Employee Benefits and Training, Education, & Career Development

[MEI.13 Human Capital]

Metric	2020	2021	2022	2023	2024	Page Number
Shared Ownership Participation	16%	18%	17%	11%	12%	26
Percentage of Employees Using Educational Stipend	49%	46%	54%	64%	65%	32
Global Educational Stipend Spend (USD)	1.3 M	1.7 M	2.4 M	3.5 M	3.5 M	32
Spend (USD) per Employee on Education and Career Programs	>590	453	481	560	650	32
Percentage of Employees Who Believe Morningstar Is Committed to Their Career Development	77%	75%	78%	71%	71%	32

Our Workforce

[MEI.13 Human Capital]

Metric	Submetric	Framework Alignment	2020	2021	2022	2023	2024	Page Number
Number of Full-Time Employees	—	—	7,979	9,556	12,224	11,334	11,085	4
Percentage of Employees in Each Major Region	Americas	—	41%	37%	35%	38%	37%	29
	APAC (ex India)	—	17%	12%	9%	4%	4%	29
	EMEA	—	11%	17%	17%	18%	18%	29
	India	—	31%	34%	39%	40%	41%	29
Number of Markets in Which We Operate	—	—	31	29	32	32	32	4
Number of Nationalities	—	—	87	100	116	116	115	—
Number of Languages Spoken	—	—	32	34	37	37	36	—
Employee Age Distribution (Global)	<30	—	—	—	—	—	41.8%	29
	30–50	—	—	—	—	—	50.9%	29
	>50	—	—	—	—	—	7.3%	29
Gender Composition of Full Workforce	Male	SASB: SV-PS-330a.1	60.6%	57.7%	58.8%	60.4%	60.2%	29
	Female	GRI: 405-1 SDG: 5.1, 5.5, 8.5, 10.3	39.4%	42.3%	41.2%	39.6%	39.8%	
Gender Composition of Executive Management	Male	SASB: SV-PS-330a.1	86.7%	86.7%	93.3%	80.0%	80.0%	29
	Female	GRI: 405-1 SDG: 5.1, 5.5, 8.5, 10.3	13.3%	13.3%	6.7%	20.0%	20.0%	

Our Workforce

[MEI.13 Human Capital]

Metric	Submetric	Framework Alignment	2020	2021	2022	2023	2024	Page Number
Race/Ethnicity of US Workforce ^{xxii}	White	SASB: SV-PS-330a.1, GRI: 405-1	69.2%	68.0%	65.9%	65.0%	64.8%	29
	Asian	SASB: SV-PS-330a.1, GRI: 405-1	21.0%	21.4%	21.4%	22.1%	21.9%	29
	Hispanic or Latino	SASB: SV-PS-330a.1, GRI: 405-1	3.8%	4.3%	5.0%	5.1%	5.3%	29
	Black or African American	SASB: SV-PS-330a.1, GRI: 405-1	3.2%	3.4%	4.4%	4.6%	4.9%	29
	Native Hawaiian or Other Pacific Islander	SASB: SV-PS-330a.1, GRI: 405-1	0.2%	0.2%	0.3%	0.3%	0.2%	29
	American Indian or Alaska Native	SASB: SV-PS-330a.1, GRI: 405-1	0.1%	<0.1%	0.1%	0.1%	0.1%	29
	Two or More Races	SASB: SV-PS-330a.1, GRI: 405-1	2.5%	2.6%	2.9%	2.8%	2.8%	29
Race/Ethnicity of US Executive Management	White	SASB: SV-PS-330a.1, GRI: 405-1	92.9%	92.9%	84.6%	85.7%	85.7%	29
	Asian	SASB: SV-PS-330a.1, GRI: 405-1	7.1%	7.1%	15.4%	14.3%	14.3%	29

Community Engagement

[MEI.13 Human Capital]

Metric	Submetric	2020	2021	2022	2023	2024	Page Number
Employee Volunteer Participation	—	—	—	41%	63%	58%	38
Total Employee Volunteer Hours Annually	—	—	—	—	—	31,129	38
Employee Donation Participation through matching gifts	—	—	51%	53%	57%	53%	38
Overall Participation (Donations or Volunteering)	Morningstar	—	—	67%	65%	66%	39
	Industry Average	—	—	33%	30%	35%	39
Total Donations (USD)	Morningstar & Employees	>1M	>1.7M	>2.2M	>1.7M	>2.5M	38

Governance Structure & Business Ethics

[MEI.0 Corporate Governance, MEI.4 Business Ethics]

Metric	Submetric	Framework Alignment	2020	2021	2022	2023	2024	Page Number
Board Tenure (Years)	0-5	GRI: 405-1, 2-9	40%	40%	40%	20%	10%	42
	6-10	GRI: 405-1, 2-9	10%	20%	20%	40%	40%	42
	11-15	GRI: 405-1, 2-9	10%	10%	10%	0%	10%	42
	>15	GRI: 405-1, 2-9	40%	30%	30%	40%	40%	42
Board Age Distribution	Average	GRI: 405-1	61	59	60	61	62	42
	Range	GRI: 405-1	39-73	40-70	41-71	42-72	43-73	42
Board Gender Composition	Male	SDG:5.5, GRI: 405-1	60%	50%	50%	50%	50%	42
	Female	SDG:5.5, GRI: 405-1	40%	50%	50%	50%	50%	42
Board Race/Ethnicity	White	GRI: 405-1	—	70%	70%	70%	67%	42
	Asian	GRI: 405-1	—	20%	20%	20%	22%	42
	Black or African American	GRI: 405-1	—	10%	10%	10%	11%	42
Percentage of Board Considered Independent	—	GRI: 2-9	70%	70%	80%	80%	80%	42
Percentage of Employees Certifying Compliance With Code of Ethics	—	GRI: 2-26 SASB: SV-PS-510a.1	95%	94%	88%	85%	93%	48

Data and Information Security

[MEI.6 Data Privacy and Security]

Metric	Submetric	Framework Alignment	2020	2021	2022	2023	2024	Page Number
Material Security Incident ^{xxiii}	Total Incidents	GRI:418-1	—	1	0	0	0	51
	Impacted Parties	GRI:418-1	—	2	0	0	0	—
	Percentage of Incidents Involving Confidential Business or Personally Identifiable Information	GRI:418-1	—	100%	0%	0%	0%	—
Disaster Recovery Testing	Percentage of Application-Based Revenue Protected During Testing	—	—	95%	83%	93%	95%	51
	Percentage of Successful Tests	—	—	97%	96%	93%	95%	51

Environmental Impact

[MEI.8 Carbon—Own Operations]

Metric	Submetric	Framework Alignment	2019	2020	2021	2022	2023	2024	Page Number
Scope 1 GHG Emissions (tCO ₂ e)	Fuel	SDG: 12.2, GRI: 305-1	352	458	556	367	290	239	56
	Fugitives	SDG: 12.2, GRI: 305-1	122	122	60	—	—	—	56
	Subtotal	SDG: 12.2, GRI: 305-1	474	580	616	367	290	239	56
Scope 2 GHG Emissions (tCO ₂ e)	Electricity Location-Based	SDG: 12.2, GRI: 305-2	7,838	6,485	6,342	6,672	6,771	6,867	56
	Electricity Market-Based	SDG: 12.2, GRI: 305-2	7,813	6,382	6,066	6,270	6,176	1,932	56
Scope 3 GHG Emissions (tCO ₂ e)	Air Business	SDG: 12.2, GRI:305-3	4,120	908	691	1,692	3,113	4,325	56
	Hotels	SDG: 12.2, GRI:305-3	658	121	73	953	549	536	56
	Rail Business	SDG: 12.2, GRI:305-3	49	8	9	26	29	38	56
	Road	SDG: 12.2, GRI:305-3	373	60	57	153	272	319	56
	Waste	SDG: 12.2, GRI:305-3	206	103	60	129	139	97	56
	Cloud	SDG: 12.2, GRI:305-3	—	—	—	—	—	348	56
	Subtotal	SDG: 12.2, GRI:305-3	5,406	1,200	890	2,953	4,102	5,663	56

Environmental Impact

[MEI.8 Carbon—Own Operations]

Metric	Submetric	Framework Alignment	2019	2020	2021	2022	2023	2024	Page Number
Total Emissions (tCO ₂ e) (Location-Based)	—	SDG: 12.2	13,718	8,265	7,848	9,992	11,163	12,769	56
Total Emissions (tCO ₂ e) (Market-Based)	—	SDG: 12.2	13,693	8,162	7,572	9,590	10,568	7,834	56
Total Emissions to Revenue Ratio (per million USD) (tCO ₂ e) (Location-Based)	—	GRI: 305-4	11.4	5.9	4.6	5.3	5.5	5.6	56
Total Emissions to Revenue Ratio (per million USD) (tCO ₂ e) (Market-Based)	—	GRI: 305-4	11.4	5.9	4.5	5.1	5.2	3.4	56
Percentage of Total Office Electricity GHG Emissions by Region (Location-Based)	Americas	—	—	—	—	—	—	39%	57
	EMEA	—	—	—	—	—	—	11%	57
	APAC	—	—	—	—	—	—	50%	57
Percentage of Total Office Electricity GHG Emissions Reduced Due to REC Purchases by Region (Market-Based)	Americas	—	—	—	—	—	—	100%	57
	EMEA	—	—	—	—	—	—	47%	57
	APAC	—	—	—	—	—	—	90%	57

Environmental Impact

[MEI.8 Carbon—Own Operations]

Metric	Framework Alignment	2019	2020	2021	2022	2023	2024	Page Number
Total kWh Consumption	SDG: 12.2, 8.4	—	—	22,977,303	22,661,354	22,924,755	22,137,637	58
Total kWh per Employee	SDG: 12.2, 8.4	—	—	2,405	1,854	2,023	1,997	58
Data Center Energy Consumption (kWh)	SDG: 12.2, 13.1	—	—	6,720,479	6,363,545	4,330,965	3,689,196	58
Percentage of Electricity Consumption That Is Renewable	SDG: 12.2, 13.1	0.7%	2.9%	5.4%	8.4%	8.8%	73.3%	58
Percentage of Offices Run Using 100% Electricity	SDG: 12.2	—	—	—	40%	38%	35%	58
Water Consumption per Employee (Cubic Meter)	SDG: 12.2	—	13	14	14	16	18	58
Waste Consumption per Employee (Kg)	SDG: 12.2	—	26	13	21	27	27	58
Percentage of Waste Recycled, Composted, or Anaerobically Digested	SDG: 12.2	—	—	—	—	24%	55%	58
Percentage of Environmentally Certified Office Spaces (Percentage of Sq. Ft.)	SDG: 12.2, 13.1	—	—	—	—	61%	64%	58
Percentage of Critical and High Priority Spend Suppliers With Public Climate Commitments	—	—	—	—	46%	47%	63%	54

SASB Report

About the Sustainability Accounting Standards Board Standards

The [SASB Standards](#) guide disclosure of financially material sustainability topics and metrics. The standards provide a sector-specific approach; each industry is assigned a set of environmental, social, and governance topics that are likely to affect a company's performance. Morningstar's business most closely aligns with the SASB Professional and Commercial Services industry.

The [International Sustainability Standards Board](#) oversees the SASB Standards in an effort to streamline sustainability reporting. SASB's industry-specific reporting approach aligns with portions of the requirements set out by the ISSB's [IFRS Sustainability Disclosure Standards](#). This consolidation aims to simplify reporting for companies and report users.

Alignment With SASB Standards

Reporting in line with SASB Standards 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 Morningstar's offerings aligns our firm most closely with the SASB Professional and Commercial Services industry. In prior years, Morningstar disclosed sustainability data in alignment with the metrics and technical protocols defined by the SASB Standards. This year, we have elected to align with the core elements of the relevant disclosure topics and associated metrics but present our workforce demographic data using categories defined in the Equal Employment Opportunity Commission Employer Information Report (EEO-1). Unless otherwise noted, all information is presented as of and for the year ended Dec. 31, 2024.

Data Security

Measurement	2024	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 2024, Morningstar had zero material security incidents	See Page 52 for details on how we define a material security incident.	SV-PS-230a.3
Percentage Involving Customers’ Confidential Business Information (CBI)	N/A (0 material security incidents)	—	SV-PS-230a.3
Percentage Involving Customers’ Personally Identifiable Information (PII)	N/A (0 material security incidents)	—	SV-PS-230a.3
Number of Customers Affected	0 customers were affected by a material security incident	—	SV-PS-230a.3
Number of Individuals Affected	0 individuals were affected by a material security incident	—	SV-PS-230a.3

Workforce Composition & Engagement ^{xxiv, xxv}

Measurement	2024	Morningstar Notes	SASB Code
Gender Composition of Executive Management		—	SV-PS-330a.1
Female	20.0%		
Male	80.0%		
Gender Composition of Full Workforce		—	SV-PS-330a.1
Female	39.8%		
Male	60.2%		
Race/Ethnicity of US Executive Management		—	SV-PS-330a.1
Asian	14.3%		
White	85.7%		
Race/Ethnicity of US Workforce		—	SV-PS-330a.1
Asian	21.9%		
Black or African American	4.9%		
Hispanic or Latino	5.3%		
White	64.8%		
Native Hawaiian or Other Pacific Islander	0.2%		
American Indian or Alaska Native	0.1%		
Two or More Races	2.8%		

Workforce Composition & Engagement

Measurement	2024	Morningstar Notes	SASB Code
Voluntary Turnover Rate for Employees	13.1%	—	SV-PS-330a.2
Involuntary Turnover Rate for Employees	3.5%	—	SV-PS-330a.2
Employee Engagement as a Percentage	64%	—	SV-PS-330a.3

Professional Integrity

Measurement	2024	Morningstar Notes	SASB Code
Description of Approach to Ensuring Professional Integrity	<p>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.</p>	—	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	2024	Morningstar Notes	SASB Code
Number of Full-Time Employees	11,085	—	SV-PS-000.A
Number of Non-Full-Time Employees	61	—	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

Alignment With Sustainable Development Goals

As a participant in the U.N. Global Compact, Morningstar supports the 10 universal principles to promote progress on the topics of human rights, labor, environment, and anticorruption. Additionally, we commit to advancing five of the U.N. Sustainable Development Goals. The 17 global Sustainable Development Goals support sustainable economic, social, and environmental development for the people and planet by 2030. Morningstar has selected five SDGs to focus our efforts on, prioritizing the areas in which our business can make the greatest impact.

- ▶ **SDG-5: Gender Equality**
- ▶ **SDG-8: Decent Work and Economic Growth**
- ▶ **SDG-10: Reduced Inequalities**
- ▶ **SDG-12: Responsible Consumption and Production**
- ▶ **SDG-13: Climate Action**

The UNGC has partnered with the GRI and the World Business Council for Sustainable Development to provide guidance for companies to align and measure their impact relating to the contribution of the Sustainable Development Goals. The SDG Compass uses SDG goals and targets to provide specific indicators relevant to corporate entities. Morningstar’s current practices, detailed throughout this report, map directly to many of these indicators. Below, you’ll find the SDG targets that Morningstar actively contributes to through our dedicated efforts and initiatives.



Sustainable Development Goals Alignment Tracker



5.1

Morningstar is strongly committed to creating and preserving equal opportunity for all employees and applicants. We make all employment decisions—including recruitment, hiring, compensation, training, promotion, transfer, discipline, termination, and other personnel matters—without regard to race, color, ancestry, religion, sex, national origin, age, disability, protected veteran status, marital status, sexual orientation, genetic information, citizenship, gender identity and expression, parental status, or other legally protected characteristics or conduct.

5.2

Morningstar’s Human Rights Policy outlines our zero-tolerance policy toward any form of harassment or other abusive behavior by anyone, including employees, clients, vendors, suppliers, contractors, and consultants. Employees can utilize the confidential Morningstar Ethics Hotline to report concerns or any violations to the policy, which is detailed in our [Code of Ethics](#). Employees are urged to report harassment by filing an internal complaint or by filing a complaint with a government agency or in court under applicable national or local laws.

5.5

Our board of directors currently consists of 50/50 men and women. See page 42 for more details on the board composition.



8.4

Our energy consumption for 2024 can be found on Page 56.

Sustainable Development Goals Alignment Tracker



8.5

Morningstar is strongly committed to creating and preserving equal opportunity for all employees and applicants. We make all employment decisions—including recruitment, hiring, compensation, training, promotion, transfer, discipline, termination, and other personnel matters—without regard to race, color, ancestry, religion, sex, national origin, age, disability, protected veteran status, marital status, sexual orientation, genetic information, citizenship, gender identity and expression, parental status, or other legally protected characteristics or conduct. Workers’ compensation must comply with applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits, and our compensation practices align with our pay fairness initiatives. Additionally, all colleagues have access to employee benefits; see Page 27 for our global offerings. Suppliers must also follow applicable laws and regulations relating to health and safety in the workplace, as outlined in our [Supplier Code of Conduct](#).

8.7

We have a zero-tolerance approach to modern slavery and child labor in our business operations and supply chain. We are committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place in our supplier businesses. Morningstar expects its suppliers to uphold the human rights of their workers and treat them with dignity and respect. See our [Supplier Code of Conduct](#).

8.8

Morningstar promotes safe working environments for all employees.



10.3

Morningstar is strongly committed to creating and preserving equal opportunity for all employees and applicants. We make all employment decisions—including recruitment, hiring, compensation, training, promotion, transfer, discipline, termination, and other personnel matters—without regard to race, color, ancestry, religion, sex, national origin, age, disability, protected veteran status, marital status, sexual orientation, genetic information, citizenship, gender identity and expression, parental status, or other legally protected characteristics or conduct.

Sustainable Development Goals Alignment Tracker



10.5

The Customer and Product Responsibility section of this report outlines Morningstar’s research independence and responsibility in ratings. We offer clients environmental, social, and governance data, tools, services, and research, which support and inform the decisions of global investors of all types. We seek to engage our clients through education and Morningstar’s research, data, tools, and services to make a significant impact on the sustainable-investing industry.



12.2

We report our water consumption for 2024 on Page 58 of this report.



13.1

Morningstar tracks progress toward our decarbonization goals of reducing our measured emissions by 50% by 2030 and reaching net zero emissions by 2050. We also balance our reported emissions by purchasing carbon emissions permits off the cap and trade compliance markets through our partner, Climate Vault. We report on our progress toward net zero emissions in our [Climate Transition Update](#). For more information on our firm’s climate risks and opportunities, see our [2023 TCFD report](#).

Endnotes

A Message From Kunal Kapoor

- i. Information or documents referred to or linked to in this report are not incorporated by reference into this report.

Commitment to Sustainability

- ii. This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our current expectations about future events. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and often contain words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “prospects,” or “continue.” These statements involve known and unknown risks and uncertainties that may cause the events we discuss not to occur or to differ significantly from what we expect. We describe risks and uncertainties that could cause actual events to differ materially in the “Risk Factors,” “Management’s Discussion and Analysis of Financial

Condition and Results of Operations,” and “Quantitative and Qualitative Disclosures about Market Risk” sections of our most recent Forms 10-K and 10-Q. Morningstar undertakes no obligation to publicly update any forward-looking statements as a result of new information, future events, or otherwise, except as required by law. Readers are cautioned that certain sustainability-related statements in this report (such statements, “Sustainability Statements”) may be based on expectations and assumptions that are necessarily uncertain and may be prone to error or subject to misinterpretation. Terminology used in such Sustainability Statements may not be comparable to similarly titled measures reported by other companies or by Morningstar in other contexts. The inclusion or absence of information in Morningstar’s or its subsidiaries’ Sustainability Statements should not be construed to represent any belief regarding the materiality or financial impact of that information.

Materiality Matrix

- iii. Readers are cautioned that our actual future results may vary significantly from what we expected, and that terminology used herein may not be comparable to similarly titled measures reported by other companies or by Morningstar in other contexts.

About This Report

- iv. The data reflected in this report is as of Dec. 31, 2024, unless otherwise noted.

Customer and Product Responsibility

- v. The ratings council does not currently oversee Morningstar Sustainalytics’ ratings.

Employee Engagement

- vi. Our calculation for the percentage of roles filled through internal hires excludes entry level roles because these roles are, by nature, most likely to be filled externally—frequently by those entering the professional workforce for the first time.

Endnotes

- vii. Employee engagement data is collected via our quarterly employee “Pulse Survey.” The survey is optional to complete but is representative of the full-population base of our global business. Engagement as a percentage is calculated as an annual average from each of our four quarterly surveys.
- viii. Turnover Rate represents the number of employees who left during the year divided by the average number of employees in the company during that same time.
- ix. Retention Rate represents the number of employees who started the year and remain at the end of the year, divided by the number of employees who started the year.

Employee Benefits

- x. Wellness screenings were conducted in the fourth quarter of 2024 and are effective for the 2025 calendar year.

Our Workforce

- xi. In 2024, we are reporting workforce composition metrics in line with the US Equal Employment Opportunity Commission’s EEO-1 (Employer Information Report) disclosure guidance. For race/ethnicity disclosure, we have added the categories “Native Hawaiian or Other Pacific Islander” and “American Indian or Alaska Native.”
- xii. Gender data is calculated based upon permanent, full-time employees globally. Any employees without a recorded gender classification (0.1% of the global population) are excluded from this analysis.
- xiii. Race/ethnicity data is calculated based upon permanent, full-time employees in the US. Any employees without a recorded race/ethnicity classification (5.7% of the US population) are excluded from this analysis.

Community Engagement

- xiv. Morningstar’s corporate giving platform, Benevity, provides a benchmark assessment of other firms in the same industry. This measure, provided by Benevity, details Morningstar’s community involvement compared with other financial-services firms.

Governance Structure and Oversight

- xv. In 2024, one board member chose not to self-identify for race/ethnicity, so is not included in the race/ethnicity breakdown.

Data and Information Security

- xvi. Research source: “[Cost of a Data Breach Report 2024.](#)” IBM Security, IBM, 2024.

Endnotes

Environmental Impact

- xvii. Critical and high-priority suppliers represent at least 75% of Morningstar, Inc. total annual spend and were determined based on 2023 spend with US- and Canada-based suppliers. Utility, lease, benefit, tax, and insurance service suppliers were excluded from the analysis. Climate commitment status was determined through inquiry with the population identified above. If we did not receive a timely response after outreach, we determined the status through primary and secondary research.
- xviii. All historical environmental impact data within the report has been restated for 2019–23. This resulted in an increase in net emissions each year, also affecting all normalized metrics. Emissions across all scopes and energy consumption data were updated as a result. These updates were necessary because of differences in conversion and emissions factors utilized, as well as new information gained regarding our HVAC-related emissions.
 - For example, we discovered one of our New York offices has consumed district steam for heating instead of natural gas since 2019. Additionally, minor corrections were made to scope 3 business travel emissions.
 - xix. As defined by the Greenhouse Gas Protocol, a scope 2 location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A scope 2 market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.
 - xx. All data pertaining to waste “recycled, composted, or anaerobically digested” is connected to waste reports received by our facilities teams. Whenever possible, Morningstar’s actual waste data was used in the calculations; otherwise, an estimated proportional share was determined using a square foot of office space metric. Data pertaining to waste “landfilled or incinerated” is either connected to waste reports received by our facilities, or in instances that no data is available, we use an internal intensity metric that is an extrapolation of the available data based on seat count and office utilization metrics.
 - xxi. According to the CDP, the US and Canada form a single market for renewable energy. CDP. 2024, CDP Technical Note: Accounting of Scope 2 Emissions

Endnotes

Sustainability Data

- xxii. To report in line with the US Equal Employment Opportunity Commission's EEO-1 (Employer Information Report) disclosure guidance, we have restated data from 2020-23 for the following data points: Race/Ethnicity of US Workforce and Race/Ethnicity of US Executive Management.
- xxiii. Noteworthy data security incidents prior to 2024 were disclosed using the following internal methodology: Morningstar defines a "noteworthy security incident" as an event that compromises the confidentiality, integrity, or availability of an information system or the information the system processes and for which Morningstar is subject to a regulatory obligation to notify government authorities or impacted parties or results in costs to Morningstar exceeding USD 100,000.

SASB Report

- xxiv. We report employee gender and race/ethnicity data as a percentage of the employee base who have chosen to self-report their gender and/or race. Those who choose not to disclose are not included in our reported metrics.
- xxv. To align with our corporate sustainability reporting, we elect to disclose gender data for executive management and the global workforce and racial data for executive management and the US workforce instead of presenting demographic data for each employee category defined by the SASB disclosure topics and metrics (for example, executive management, nonexecutive management, and all other employees).

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