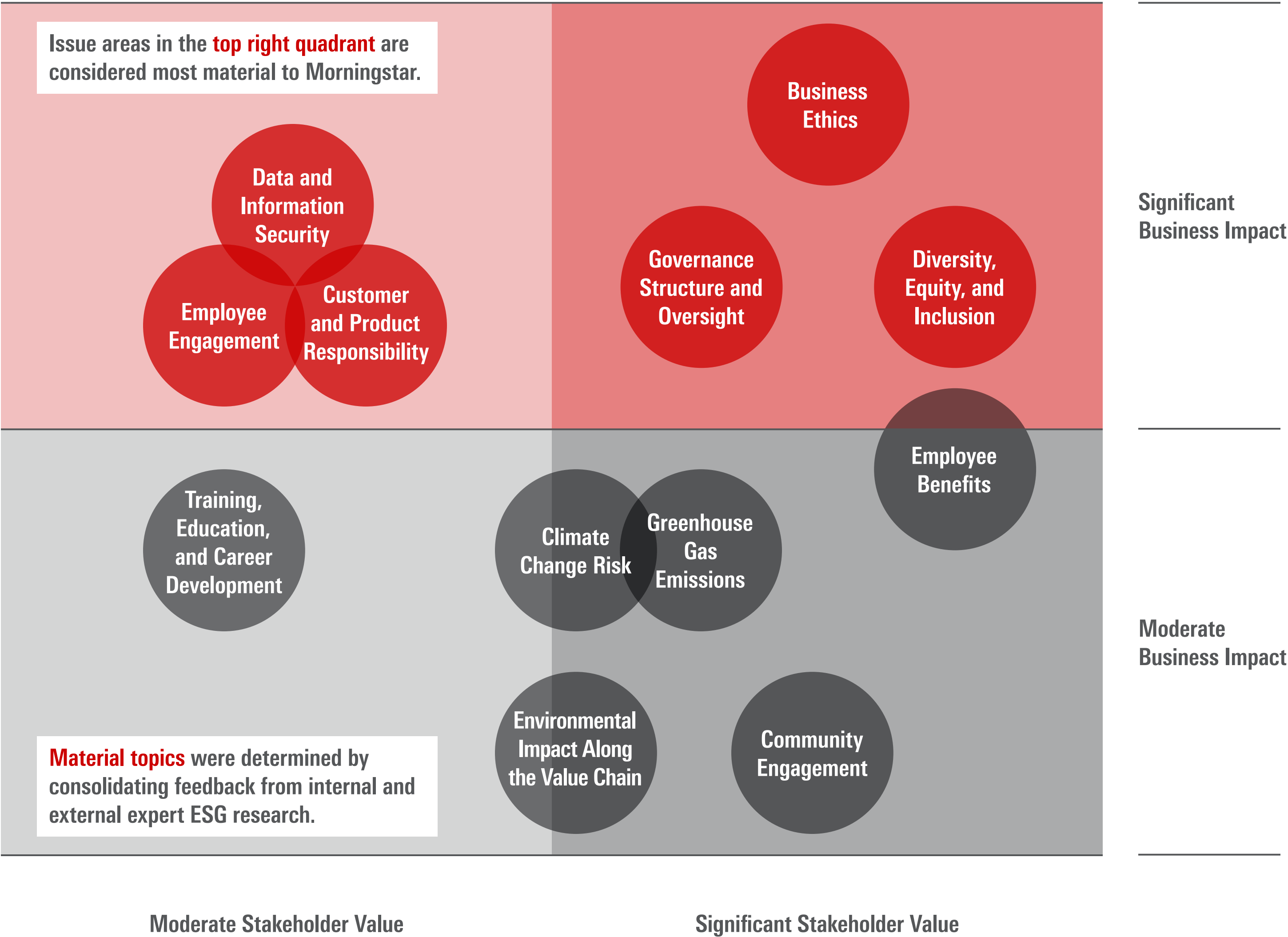


Enterprise Sustainability

# Corporate Sustainability Report Data

2023

- 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 impact Morningstar’s business performance. Items on the right of the graph represent high-priority issues for Morningstar stakeholders. The topics of Business Ethics; Diversity, Equity, and Inclusion; and Governance Structure and Oversight are materially significant to Morningstar’s business performance as well as high-priority issues 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 work in each of these areas is tracked by corresponding datasets, which we make available in this and other reports. This allows the market to track our performance. For example, data points pertaining to our workplace include year-over-year shifts in measures of employee engagement, which we gather from anonymous, quarterly surveys. Our intention is to report our progress on a regular basis. We look forward to engaging with our stakeholders on these issues and invite your feedback at [CorporateSustainability@morningstar.com](mailto:CorporateSustainability@morningstar.com)

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

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

Morningstar is focused on incorporating sustainability and ESG 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.

We apply our own ESG research and tools to prioritize transparency and sustainability throughout our workplace, our governance, and our business operations. Our reporting and data disclosure is led by materiality. We utilize Morningstar Sustainalytics’ materiality framework to assess the sustainability topics most important to our organization and the industry we are a part of. We disclose the data and information most consistent with our 13 material topics, and we reference external standards for reporting including Sustainability Accounting Standards Board and the Global Reporting Initiative. We disclose the specific SASB and GRI codes that relate to our ESG data within the data tables in the pages that follow.

We are further committed to alignment with five of the Sustainable Development Goals, and

much of our data disclosure reinforces our contributions to advancing these areas. For a comprehensive overview of our alignment with the SDGs, see our [corporate sustainability report](#).

The below datasets relate to our diversity and inclusion practices, employee engagement, governance, business ethics, risk management, privacy and security, and environmental impact. This report covers 2023 data, and in certain instances we disclose our data from 2019–22 for comparison purposes. This allows us to understand and provide insight into areas of growth or stagnation as we progress along our sustainability journey as a firm. Outlined below are definitions of the Morningstar Sustainalytics’ material ESG issues that pertain to Morningstar’s business.

**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.

**MEI.4 Business Ethics**  
Business ethics focuses on the management of general professional ethics, such as taxation and accounting, anticompetitive practices, and intellectual property issues. Business ethics may include bribery and corruption for subindustries that do not have bribery and corruption as a separate material ESG issue. Additional subindustry-specific topics—such as medical ethics and ethics regarding the provision of financial services, and so on—may also be included in this issue. In addition, ethical considerations related to customer selection may also be included here for some subindustries if products or services may be used to violate human rights, for example.

**MEI.0 Corporate Governance**  
Corporate Governance comprises six pillars:

- Board/Management Quality and Integrity
- Board Structure
- Ownership and Shareholder Rights

- Remuneration
- Audit and Financial Reporting
- Stakeholder Governance

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

**MEI.8 Carbon—Own Operations**  
Carbon—Own Operations refers to a company’s management of risks related to its own operational energy use and GHG emissions (scope 1 and 2). It also includes parts of scope 3 emissions, such as transport and logistics. It does not include emissions in the supply chain or during the use phase/end-of-life cycle of a product.

**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.



Gender Diversity (all regions)

[MEI.13 Human Capital]

	Framework Alignment	2020		2021		2022		2023	
Job Level		Male	Female	Male	Female	Male	Female	Male	Female
Entry-level	GRI: 405-1 SDG: 5.1, 5.5, 8.5, 10.3	Combined entry and mid-level roles were 58% male	Combined entry and mid-level roles were 42% female	Combined entry and mid-level roles were 57% male	Combined entry and mid-level roles were 43% female	55%	45%	57%	43%
Mid-level	GRI: 405-1 SDG: 5.1, 5.5, 8.5, 10.3					63%	37%	63%	37%
Senior	GRI: 405-1 SDG: 5.1, 5.5, 8.5, 10.3	69%	31%	77%	23%	77%	23%	71%	29%
Executive	GRI: 405-1 SDG: 5.1, 5.5, 8.5, 10.3	—	—	—	—	87%	13%	83%	17%
Total	GRI: 405-1 SDG: 5.1, 5.5, 8.5, 10.3	58%	42%	58%	42%	59%	41%	60%	40%



Racial Identity of Colleagues in Canada

[MEI.13 Human Capital]

Racial Identity	Framework Alignment	2022	2023
South Asian	GRI: 405-1	35%	37%
White	GRI: 405-1	30%	26%
Chinese	GRI: 405-1	12%	18%
Arab/West Asian	GRI: 405-1	6%	4%
Black	GRI: 405-1	5%	4%
Latin American	GRI: 405-1	4%	3%
Southeast Asian	GRI: 405-1	4%	3%
Other	GRI: 405-1	4%	5%

Gender Diversity by Business Unit

[MEI.13 Human Capital]

Job Level	Framework Alignment	2022		2023	
		Male	Female	Male	Female
Investment Research	GRI: 405-1 SDG: 8.5, 10.3	58%	42%	62%	38%
Data Management	GRI: 405-1 SDG: 8.5, 10.3	56%	44%	60%	40%
Technology	GRI: 405-1 SDG: 8.5, 10.3	76%	24%	76%	24%
Client-Facing Roles	GRI: 405-1 SDG: 8.5, 10.3	58%	42%	57%	43%

Compensation Pay Gap—Male v Female and Underepresented Minority (URM)  
vs Non-Underepresented Minority (NURM)  
[MEI.13 Human Capital]

	Framework Alignment	2021		2022		2023	
		Male vs Female	URM vs NURM	Male vs Female	URM vs NURM	Male vs Female	URM vs NURM
Pay Gap (Adjusted)	SDG: 8.5, GRI: 405-2	Women earned 97.1% compared with men, a 2.9% adjusted gap	URMs earned 95.9% compared with NURMs, a 4.1% adjusted gap	Women earned 98.8% compared with men, a 1.2% adjusted gap	URMs earned 99.1% compared with NURMs, a 0.9% adjusted gap	Women earned 98.3% compared with men, a 1.7% adjusted gap	URMs earned 98.7% compared with NURMs, a 1.3% adjusted gap
Pay Gap (Unadjusted)	SDG: 8.5, GRI: 405-2	Women earned 68.5% compared with men, a 31.5% unadjusted gap	URMs earned 79.2% compared with NURMs, a 20.8% unadjusted gap	Women earned 75.7% compared with men, a 24.3% unadjusted gap	URMs earned 77.8% compared with NURMs, a 22.2% unadjusted gap	Women earned 96.9% compared with men, a 3.1% unadjusted gap	URMs earned 80.2% compared with NURMs, a 19.8% unadjusted gap
	Framework Alignment	2021		2022		2023	
\$ spent on equity compensation increases	GRI: 405-2	USD 1.5M		USD 490K		USD 290K	
Number of employees who received a pay increase due to pay gap analysis		420 employees		76 employees		78 employees	

Community Engagement

[MEI.13 Human Capital]

	2022		2023	
	Morningstar	Industry Average	Morningstar	Industry Average
Volunteering Participation	41%	—	63%	—
Overall Participation (donations or volunteering)	67%	33%	65%	30%

	2020	2021	2022	2023
Total Donations USD (employees & Morningstar)	Over \$1M	Over \$1.7M	Over \$2.2M	Over \$1.7M



Employee Engagement & Other Factors

[MEI.13 Human Capital]

	Framework Alignment	2020	2021	2022	2023
Employee Engagement		79%	79%	80%	69%
Great Place to Work Score		81	84	88	76
Employee Turnover Rate	GRI: 401-1	12%	18.5%	18.9%	21.7%
Voluntary Turnover	GRI: 401-1	—	17.1%	15.8%	11.8%
Involuntary Turnover	GRI: 401-1	—	1.4%	3.1%	9.9%
Turnover by Gender	SDG: 5.1, 5.5	—	—	Female: 18.6% Male: 18.8%	Female: 24.8% Male: 19.4%
Turnover by URM vs NURM		—	—	URM: 17.4% NURM: 15.8%	URM: 14.2% NURM: 12.7%
Retention Rate		—	—	—	80.2%
Internal Hiring Rate		—	—	—	52%
Average Tenure Females vs Males		—	—	—	Female: 4.2 years Male: 4.6 years
Annual Compensation Ratio		126	88	114	113.96

Employee Benefits, Training, Education, and Career Development

[MEI.13 Human Capital]

	2020	2021	2022	2023
Shared Ownership Participation	16%	18%	17%	11%
Percentage of US employees that completed the US wellness incentive program	76%	97%	90%	75%
# of employees that completed CFA Level 1, 2, or 3	199	304	636	371
% of employees using educational stipend	49%	46%	54%	64%
Global educational stipend spend (USD)	\$1.3M	\$1.7M	\$2.4M	\$3.5M
Cost associated with education and career programs per number of employees	Over \$590	\$453	\$481	\$560
Number of Morningstar Scholars	75	80	90	82

Noteworthy Data Security Incidents

[Material Topic Data & Information Security]

	Framework Alignment	2021	2022	2023
Total incidents	GRI: 418-1	1	0	0
Impacted Parties	GRI: 418-1	2	0	0
Percentage of incidents involving confidential business or personally identifiable information	GRI: 418-1	100%	0%	0%

Disaster Recovery Testing

[Material Topic Data & Information Security]

	2021	2022	2023
Percentage of application-based revenue protected during testing	95%	83%	93%
Percentage of successful tests	97%	96%	93%

Greenhouse Gas Emissions

[MEI.18 Carbon—Own Operations]

							tCO2e
		Framework Alignment	2019	2020	2021	2022	2023
Scope 1	SDG: 12.2, GRI: 305-1	Fuel	386	492	590	400	321
		Fugitives	122	122	60	—	—
		Sub-Total	508	614	650	400	321
Scope 2	SDG: 12.2, GRI: 305-2	Electricity (location based)	7,539	6,078	4,640	5,205	5,288
		Electricity (market based)	7,514	6,020	4,489	4,927	4,846
Scope 3	SDG: 12.2, GRI: 305-3	Air Business	4,120	908	691	1,692	3,113
		Hotels	658	121	73	953	562
		Rail Business	49	8	9	26	29
		Road	373	60	57	153	272
		Waste	206	103	61	129	138
		Sub-Total	5,406	1,199	890	2,953	4,115
Total Emissions (location based)		SDG: 12.2	13,453	7,891	6,180	8,558	9,723
Total Emissions (market based)		SDG: 12.2	13,428	7,833	6,029	8,280	9,282
Total Emissions per Million USD (tCO2e) (location based)		SDG: 12.2, GRI: 305-4	11.4	5.7	3.6	4.6	4.8
Total Emissions per Million USD (tCO2e) (market based)		SDG: 12.2, GRI: 305-4	11.4	5.6	3.5	4.4	4.6

Consumption Metrics

[MEI.18 Carbon—Own Operations]

	Framework Alignment	2019	2020	2021	2022	2023
Total kWh Consumption	SDG: 12.2, 8.4	—	—	17,410,565.0	17,767,723.0	17,370,003.1
Total kWh per Employee	SDG: 12.2, 8.4	—	—	1,822.0	1,453.5	1,532.6
Data center energy consumption	SDG: 12.2, 13.1	—	—	6,720,478.9	6,363,544.6	4,330,965.0
Percentage of electricity consumption that is renewable	SDG: 12.2, 13.1	0.7%	2.3%	4.4%	8.2%	8.5%
Percentage of offices run using 100% electricity	SDG: 12.2, 13.1	—	—	—	42%	40%
Cubic meters of water consumption per employee	SDG: 12.2	—	12.8	13.5	13.6	15.7
Kilograms of waste consumption per employee	SDG: 12.2	—	25.7	12.7	20.9	26.8
Percentage of sq footage that is environmentally certified office space	SDG: 12.2, 13.1	—	—	—	—	61%



Board Demographics

[MEI.0 Corporate Governance]

	Framework Alignment		2020	2021	2022	2023
Tenure	GRI: 405-1, 102-22	0–5 years	40%	40%	40%	20%
		6–10 years	10%	20%	20%	40%
		11–15 years	10%	10%	10%	0%
		>15 years	40%	30%	30%	40%
Age	GRI: 405-1, 102-22 SDG: 8.5	Average	60.6	59	60	61
		Range	39–73	40–70	41–71	42–72
Gender Distribution	GRI: 405-1, 102-22 SDG: 5.5	Male	60%	50%	50%	50%
		Female	40%	50%	50%	50%
Ethnic Diversity	GRI: 405-1, 102-22	Total Percent	20%	30%	30%	30%
Percentage Female Committee Chair	GRI: 405-1, 102-22		33%	33%	33%	33%
Percentage of board occupied by independents	GRI: 405-1, 102-22. 102-23 SDG: 5.5		70%	70%	80%	80%

Business Ethics

[MEI.0 Corporate Governance]

	Framework Alignment	2020	2021	2022	2023
Percentage of employees that have certified compliance with Business Ethics policy	GRI: 102-16, 102-17	95%	94%	88%	85%

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