

# Morningstar, Inc.

## Environmental Statement

### Effective January 31, 2024

## Morningstar's Commitment to Sustainability

At Morningstar, our mission is to empower investor success. Enabling sustainable-investing choices and operating with sustainable business practices are integral to that mission.

Our commitment to sustainability shapes efforts across the organization. While Morningstar is not a major emitter of emissions, we recognize that limiting global emissions requires an entire system in transition and that change of this magnitude will ultimately require businesses to set – and meet – ambitious goals pertaining to sustainable practices. At Morningstar, we aim to reduce our impact on the environment while expanding the growth of our business and the reach of our products. For more information on our sustainability philosophy and progress, please visit our [Corporate Sustainability website](#).

Specifically, Morningstar is committed to achieving net zero greenhouse gas emissions by 2050 against a 2019 baseline, and in the short term, reducing measured greenhouse gas emissions by 50% by 2030. Our net-zero commitment means acting prudently to measure and manage the impact of our business operations while engaging in transparent, long-term planning and reporting in the context of global climate change. Morningstar's participation in the Net Zero Financial Service Providers Alliance, among others, reflects its dedication to these goals.

## Environmental Statement

In this statement, we outline how Morningstar can advance its environmental impact prevention, mitigation, and reduction efforts in a manner consistent with its publicly stated goals and objectives. We focus on near- and long-term progress to build a more sustainable business and workplace.

This statement applies to the business operations of Morningstar, Inc., and its subsidiaries. All employees have a responsibility to help advance the aims and objectives of this statement. Our compliance teams build and deliver training and education on organization policies annually. Finally, our enterprise sustainability team works with relevant business operations leaders to drive progress, transparency, and review performance on environmental commitments.

## Guiding Principles

We understand that to effectively manage our organization's environmental impact we must develop a robust internal process to measure, manage, reduce, and report on that impact. We plan to:

### Measure our environmental impact and provide transparency in our data and practices.

We will complete an annual assessment of our environmental impact, providing relevant, transparent, and consistent metrics. We seek to measure our Scope 1, 2, and 3 emissions, waste, water, and resource use and, ultimately, to cover our organization and value chain. We anticipate that as our understanding of this work expands and the environmental data set improves, the organization may reassess and update its emissions reporting. We are committed to disclosing methodologies for any updating of previously reported emissions in a manner that is consistent with emerging best practices across the industry.

Morningstar has enabled a thorough process shared by finance, internal audit, and corporate sustainability teams to ensure the completeness and accuracy of all annual environmental impact reporting measures across relevant business operation teams.

We make our data and practices available to the public through annual reporting in our [Corporate Sustainability Report](#).

### Identify and manage environmental and climate risk.

Our environmental impact reduction strategy focuses on both the near- and long-term, trending towards 2050. We are developing a process to translate our commitments and goals into action plans and prioritize clear, quantifiable, and time-bound targets that demonstrate a roadmap for achieving long-term environmental sustainability. For more information, please see Morningstar's [Climate Transition Plan](#).

Morningstar has a dedicated Enterprise Sustainability team responsible for overall identification and management of environmental and climate risk.

Interested stakeholders can find the initial assessment of environmental and climate risk in disclosures such as our TCFD report, Climate Transition Plan, and other such reports.

### **Mitigate our environmental impact.**

We seek to take responsibility for, mitigate, and reduce the environmental impact of our direct business operations. Further information on our decarbonization strategy can be found in our Climate Transition Plan.

Morningstar's Real Estate, Facilities, Procurement, and Technology teams influence our business operations and are responsible for environmental impact mitigation and reduction in their areas. Morningstar's Enterprise Sustainability team leads the overall strategy and reporting effort.

We will give periodic updates on our plans and progress towards environmental impact mitigation and reduction.

### **Meet emerging legal and regulatory requirements.**

We design procedures for compliance with relevant legal and regulatory requirements across our business operations in applicable jurisdictions.

Morningstar's legal and compliance teams advise on strategy for regulatory preparedness for and compliance with emerging and existing legal and regulatory requirements.

### **Meet emerging sustainability reporting requirements.**

We design our sustainability approach to support and promote international frameworks and standards such as, but not limited to, the U.N. Global Compact Principles and U.N. Sustainable Development Goals.

We communicate our efforts through our annual Corporate Sustainability Report. Morningstar's [Sustainability Policies & Reports Center](#) contains our current policies which are designed to promote sustainable business practices.

### **Engage with stakeholders.**

We seek to engage with our key stakeholders to foster shared understanding and partnership in sustainability strategy.

**Employees:** We aim to raise awareness, encourage participation, and train employees on environmental issues and the environmental effects of their activities. We seek to involve our employees in the creation and management of our environmental strategy to encourage buy-in.

**Suppliers & vendors:** We seek to encourage our suppliers, vendors, and contractors to uphold similar environmental standards and pursue science-based climate solutions targets. We plan to regularly engage with suppliers to understand the state of their own environmental impact reduction journey. More details can be found in our [Supplier Code of Conduct](#).

In our purchasing decisions, we desire to:

- Prioritize the selection of suppliers with strong sustainability programs who strive to improve their environmental performance, provide environmentally preferable products, and can document the supply chain impacts of their efforts.
- Encourage and engage with our existing suppliers to uphold similar environmental standards.
- Examine our supply chain for risks and opportunities.

**Partners:** We support several global and regional international standards, frameworks, and alliances. We seek to actively engage with these organizations to articulate key principles that can facilitate and accelerate environmental impact reduction.

**Clients:** We offer clients environmental, social, and governance (ESG) 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 ESG research, data, tools, and services to make a significant impact on the sustainable-investing industry.

**Community:** We believe our success is deeply rooted in the strength of our communities. We engage with the communities we

operate in to build relationships and we endeavor to give back regularly through donations, grants, and volunteerism.

### **Monitor our efforts and report on our progress.**

Internally, Morningstar plans to review progress against our own environmental commitments and targets and communicate our progress annually. Morningstar's [Corporate Sustainability](#) website contains information and disclosures on our sustainability philosophy, reporting, and progress across all material ESG issues.

## **Governance**

Morningstar is focused on the consistent and effective operation of its entities in a manner that mitigates the organization's environmental impact. While oversight of ESG and sustainability-related matters is not assigned to a specific committee of the Board of Directors, ESG initiatives and company sustainability efforts are discussed at committee and Board meetings. This approach pertains to all Morningstar's material ESG issues, which are detailed in our annual Corporate Sustainability Report; it includes discussion of issues pertaining to environmental impact, GHG emissions, and environmental management.

Morningstar's Enterprise Sustainability team reports to the Office of the CEO and oversees sustainability strategy, performance measurement, and reporting. Morningstar's material ESG issue areas have associated data sets which are tracked annually; associated subject matter experts are tasked with oversight. The organization is focused on developing and maintaining clearly defined roles for the execution of our environmental commitments and targets.