

Enterprise Sustainability

2024
Corporate
Sustainability
Report Data

Introduction

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.

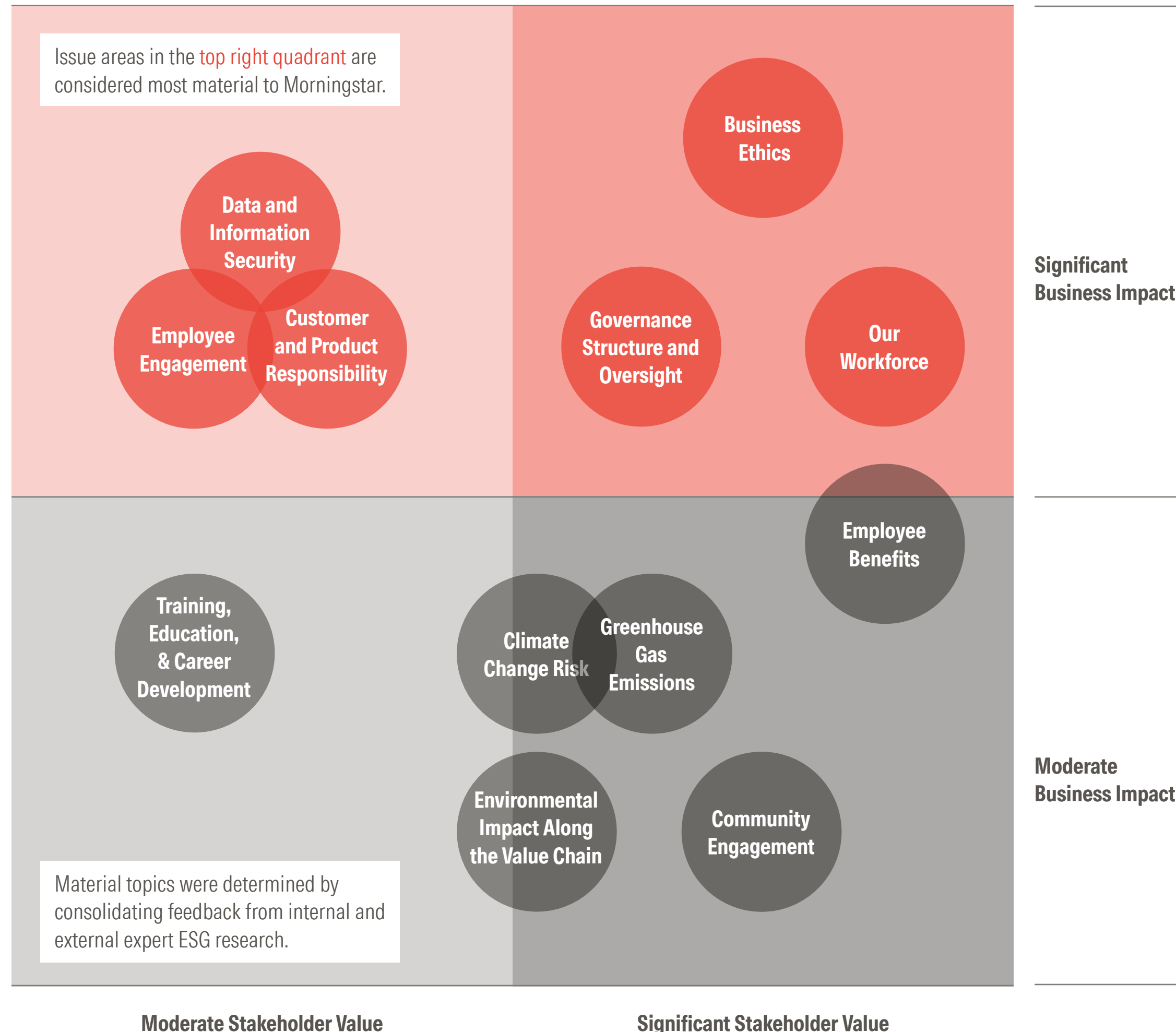
Our Materiality Assessment

We use a materiality exercise to help us identify and prioritize the sustainability-related issues that are significant to our stakeholders and that could impact the value of our business over the long term. The materiality exercise allows us to focus on the key issues we believe may add value or reduce risk to our business. It helps us articulate goals, build processes, and compose performance improvement strategies that relate to these issues.

We determine our most relevant sustainability-related issues by conducting an assessment that draws on a range of sources. On page 4, we disclose Morningstar Sustainalytics' industry-specific material ESG issue areas, which are a key input in determining our data disclosure and materiality matrix.

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.

Sustainability Data

Morningstar applies its own research and tools to prioritize transparency and sustainability throughout its workplace, governance, and business operations. 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

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

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
Employee Engagement	SASB: SV-PS-330a.3	79%	79%	80%	69%	64%
Employee Turnover Rate	GRI: 401-1	12.0%	18.5%	18.9%	21.7%	16.6%
Voluntary Turnover	GRI: 401-1, SASB: SV-PS-330a.2	—	17.1%	15.8%	11.8%	13.1%
Involuntary Turnover	GRI: 401-1, SASB: SV-PS-330a.2	—	1.4%	3.1%	9.9%	3.5%
Retention Rate	—	—	—	—	80.2%	85.2%
Internal Hiring Rate	—	—	—	—	52%	54%
Average Tenure (Years)	—	—	—	—	4.4	5
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
Percentage of Employees Who Report Feeling Motivated to Go Above and Beyond What’s Expected of Their Role	—	85%	86%	84%	—	67%
Percentage of Employees Who Report Understanding How Their Work Is Connected to Company Strategy	—	87%	88%	89%	83%	86%

Employee Benefits and Training, Education, & Career Development

[MEI.13 Human Capital]

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

Our Workforce

[MEI.13 Human Capital]

Metric	Submetric	Framework Alignment	2020	2021	2022	2023	2024
Number of Full-Time Employees	—	—	7,979	9,556	12,224	11,334	11,085
Percentage of Employees in Each Major Region	Americas	—	41%	37%	35%	38%	37%
	APAC (ex India)	—	17%	12%	9%	4%	4%
	EMEA	—	11%	17%	17%	18%	18%
	India	—	31%	34%	39%	40%	41%
Number of Markets in Which We Operate	—	—	31	29	32	32	32
Number of Nationalities	—	—	87	100	116	116	115
Number of Languages Spoken	—	—	32	34	37	37	36
Employee Age Distribution (Global)	<30	—	—	—	—	—	41.8%
	30-50	—	—	—	—	—	50.9%
	>50	—	—	—	—	—	7.3%
Gender Composition of Full Workforce	Male	SASB: SV-PS-330a.1	60.6%	57.7%	58.8%	60.4%	60.2%
	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%
	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
Race/Ethnicity of US Workforce ⁱ	White	SASB: SV-PS-330a.1, GRI: 405-1	69.2%	68.0%	65.9%	65.0%	64.8%
	Asian	SASB: SV-PS-330a.1, GRI: 405-1	21.0%	21.4%	21.4%	22.1%	21.9%
	Hispanic or Latino	SASB: SV-PS-330a.1, GRI: 405-1	3.8%	4.3%	5.0%	5.1%	5.3%
	Black or African American	SASB: SV-PS-330a.1, GRI: 405-1	3.2%	3.4%	4.4%	4.6%	4.9%
	Native Hawaiian or Other Pacific Islander	SASB: SV-PS-330a.1, GRI: 405-1	0.2%	0.2%	0.3%	0.3%	0.2%
	American Indian or Alaska Native	SASB: SV-PS-330a.1, GRI: 405-1	0.1%	<0.1%	0.1%	0.1%	0.1%
	Two or More Races	SASB: SV-PS-330a.1, GRI: 405-1	2.5%	2.6%	2.9%	2.8%	2.8%
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%
	Asian	SASB: SV-PS-330a.1, GRI: 405-1	7.1%	7.1%	15.4%	14.3%	14.3%

Community Engagement

[MEI.13 Human Capital]

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

Governance Structure & Business Ethics

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

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

Data and Information Security

[MEI.6 Data Privacy and Security]

Metric	Submetric	Framework Alignment	2020	2021	2022	2023	2024
Material Security Incident ⁱⁱ	Total Incidents	GRI:418-1	—	1	0	0	0
	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%
	Percentage of Successful Tests	—	—	97%	96%	93%	95%

Environmental Impact

[MEI.8 Carbon—Own Operations]

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

Environmental Impact

[MEI.8 Carbon—Own Operations]

Metric	Submetric	Framework Alignment	2019	2020	2021	2022	2023	2024
Total Emissions (tCO ₂ e) (Location-Based)	—	SDG: 12.2	13,718	8,265	7,848	9,992	11,163	12,769
Total Emissions (tCO ₂ e) (Market-Based)	—	SDG: 12.2	13,693	8,162	7,572	9,590	10,568	7,834
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
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
Percentage of Total Office Electricity GHG Emissions by Region (Location-Based)	Americas	—	—	—	—	—	—	39%
	EMEA	—	—	—	—	—	—	11%
	APAC	—	—	—	—	—	—	50%
Percentage of Total Office Electricity GHG Emissions Reduced Due to REC Purchases by Region (Market-Based)	Americas	—	—	—	—	—	—	100%
	EMEA	—	—	—	—	—	—	47%
	APAC	—	—	—	—	—	—	90%

Environmental Impact

[MEI.8 Carbon—Own Operations]

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

Endnotes

Sustainability Data

- i. 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.
- ii. 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.

Morningstar, Inc.
22 West Washington Street
Chicago, Illinois 60602

