

Reported ESG Data Global Policy

I. Purpose and Scope

This Reported ESG Data Global Policy (“Policy”) establishes the principles for effective collection, quality control, and distribution of reported ESG data within Morningstar Sustainalytics. It sets out the measures that Morningstar Sustainalytics has adopted to ensure that all data collected and handled by ESG Data Personnel is of high quality and integrity and sourced from reliable origins throughout its lifecycle. Adherence to this Policy is intended to ensure that Morningstar Sustainalytics maintains transparent, reliable, and accountable ESG data management practices throughout the data lifecycle.

This Policy provides the foundational framework for structured, scalable, and consistent ESG data collection and management. It ensures alignment across ESG Data Personnel by defining how required ESG data is identified, collected, ingested, and managed.

This Policy applies globally to all ESG Data Personnel.

This Policy should be read in conjunction with (i) the Morningstar Sustainalytics Confidential Information Global Policy and Information and Access Rights Global Policy, and (ii) the Morningstar Data Protection Policy and related documents, Information Security Policy & Standards, and Generative AI Policy. Terms capitalized throughout this Policy are defined herein or in the Glossary.

II. Key Principles

This Policy is underpinned by the following key principles, which ESG Data Personnel should adhere to:

1. **Ownership & Accountability** – Designated data ownership roles across data collection, quality control, retention, and distribution processes clearly define ownership and accountability.
2. **Data Quality & Integrity** – Reported ESG data meet standards of accuracy, consistency, completeness, and reliability.
3. **Transparency & Traceability** – ESG Data Personnel maintain metadata, lineage, and documentation ensure transparency, accountability, and compliance.
4. **Governance & Standards** – ESG Data Personnel manage reported ESG data in strict accordance with relevant governance policies, regulatory obligations, and defined standards.

III. Governance Structure

- The ESG Data Governance Committee, led by the Head of the Data team, is accountable for ESG data operations and policy implementation.
- The ESG Data Personnel oversight group, comprising representatives appointed from each sub-team, is responsible for reviewing ESG data processes and reporting findings to the ESG Data Governance Committee.
- ESG Data Personnel are responsible for performing the activities associated with their clearly defined roles (see Section IV).

IV. Roles and Responsibilities

Morningstar Sustainalytics has identified clear roles and responsibilities for ESG Data Personnel to promote and safeguard the quality and integrity of, and appropriate access to ESG data.

ESG Data Personnel are responsible for the collection of ESG data relating to Rated Item Entities from relevant publicly available sources for ESG data, and are also responsible for the quality review and distribution of such data.

A. Data Owner

Data owners are accountable for the overall data governance and quality for reported ESG data, and for ensuring that data collection processes, resources, and controls meet organizational standards and comply with relevant regulations. Data owners delegate day-to-day ownership responsibilities for reported ESG data to designated individuals or teams (hereafter referred to as data stewards) but remain ultimately responsible for the accuracy, completeness, timeliness, and integrity of reported ESG data.

B. Data Stewards

Data stewards hold planning and policy-level responsibilities for reported ESG data within their respective functional areas. They ensure effective data management within their specific functional areas. They support data quality through continuous monitoring, enforcement of governance policies, maintenance of accurate metadata, and collaboration with Data owners to resolve issues and uphold standards set for ESG Data Personnel.

C. Data Analyst

Data analysts serve as subject matter experts amongst ESG Data Personnel, playing a key role in ensuring accurate and timely data collection. Their responsibilities include conducting data collection and reviews, applying standardized methodologies set by Analytical Personnel, meeting performance and quality targets, and identifying and correcting data discrepancies in line with defined protocols.

V. Data Collection

ESG Data Personnel compile, manage, and update reported ESG data in accordance with defined ESG Methodologies and standards set by the ESG Methodology team. These ESG Methodologies, as communicated from time to time, are strictly adhered to in all ESG Data activities to ensure consistency, accuracy, and compliance across operations. ESG Data Personnel are committed to upholding best practices and aligning with organizational goals through timely implementation of updated processes and protocols.

ESG Data Personnel:

1. Adhere to standardized procedures that are formally documented and approved by ESG Data Personnel. These procedures are designed to provide for consistency, accuracy, and compliance across all ESG data operations.
2. Record all relevant metadata for each dataset. This includes, but is not limited to, timestamps, audit history, comments/rationales, and detailed information about ESG data sources.
3. Require any data points identified as defective through manual or automated quality checks available within the system during the initial processing of reported ESG data to be reviewed and addressed. ESG Data Personnel should perform all corrections or updates in accordance with the defined quality standards and the agreed processing frequency.
4. Adhere to the Morningstar Generative AI Policy and use AI and machine learning to detect, extract, cite, and summarize reported ESG data from diverse sources, including sustainability reports and regulatory filings. AI-generated outputs are subject to review by data analysts for accuracy, context, and alignment with quality standards. These models undergo regular validation and bias monitoring to ensure integrity, reliability, and compliance.

5. Thoroughly document any deviations, anomalies, or irregularities identified in historical reported ESG data and communicate them to the relevant stakeholders in accordance with the Morningstar Sustainalytics incident management and incident tracking process.
6. Use ESG Methodology-approved sources and collect data primarily from official, publicly available disclosures by Rated Item Entities. Where third-party data sources are utilized, they should comply with the quality, integrity, and governance standards set forth in this Policy.
7. Adhere to the core data quality dimensions of accuracy, completeness, and timeliness. For each ESG data point, ESG Data Personnel: (i) verify the ESG data point against standards set by the Methodology team to maintain accuracy; (ii) collect all required data elements to maintain completeness; and (iii) update ESG data in line with defined update frequencies to uphold timeliness.

VI. Updating ESG Data & Revising Historical ESG Data

ESG Data Personnel update reported ESG data and revised historical ESG data in accordance with ESG Methodologies and standards defined by the ESG Methodology team. In line with current standards, ESG Data Personnel track, review, and record the date of last updates to ESG data.

VII. Data Quality Controls

ESG Data Quality Personnel systematically performs the sample-based validation for the accuracy and fitness purpose of reported ESG data. These checks include verifying accuracy by cross-referencing original sources, ensuring completeness of critical fields, and maintaining consistency in formats and values across datasets. These measures collectively uphold the integrity and usability of the reported ESG data for downstream processes and customer deliverables.

The ESG Data Quality Personnel shall perform daily data quality control checks on sampled entities for which data was collected recently. If issues arise, ESG Data Quality Personnels are responsible for identifying and communicating data anomalies, errors, or inconsistencies to ESG Data Personnel. ESG Data Personnel carefully document and track all cleansing and correction activities to maintain transparency, support auditability, and facilitate continuous improvement.

Only reported data that successfully passes all system-based and sample-based validation criteria should be made available for further use. ESG Data Personnel serves as the final gatekeeper, ensuring only reported ESG data that meets the quality standards is made available to internal or external stakeholders.

VIII. Engagement with Rated Item Entities – Transparency of ESG Data

In accordance with ESG Ratings policies and procedures, and applicable law, at least two full working days before the first issuance of an ESG Rating, Morningstar Sustainalytics notifies the Rated Item Entity during its working hours of the intention to issue an ESG Rating, to give the Rated Item Entity an opportunity to inform Morningstar Sustainalytics of any factual errors.

To this end, upon request, Morningstar Sustainalytics also makes the following data information available, free of charge, on a non-commercial basis in relation to the ESG Rating:

1. the industry classification used;
2. an overview of data sources, including whether data is sourced from sustainability statements, whether sources are public or non-public, an overview of data processes, estimation of input data in case of unavailability and frequency of data updates;
3. a more granular overview of data processes, including, where applicable, the use of estimation and industry average and explanation of the underlying methodology;

4. the date of the last update of ESG data; and
5. any other data collected, estimated or computed that relates to the Rated Item or the Rated Item Entity, where relevant.

IX. Distribution of Approved Data

Upon approval, ESG Data Personnel securely transfers all datasets to designated internal recipients using approved communication channels and protocols. These transfers should adhere to applicable data security and confidentiality standards. Each dataset is accompanied by documentation outlining its contents, applied validation procedures, and any known limitations affecting its use or interpretation.

Internal recipients are responsible for the appropriate use of the reported ESG data provided, safeguarding the dataset in accordance with the applicable information and access management rights policy and procedures, and preventing unauthorized access, distribution, theft, or misuse of the reported ESG data. ESG Data Personnel should regularly solicit feedback from recipients to support continuous improvement of reported ESG data quality, enhance documentation clarity, and strengthen delivery processes.

The Head of Data should review this Policy on a periodic basis, or as required, to ensure alignment with evolving business needs and regulatory requirements.