

# Morningstar Sustainalytics Code of Conduct

May 2026

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## Introduction

At Morningstar Sustainalytics, we are committed to complying with all applicable laws and regulations and to conducting business with high standards of ethics and integrity. These principles guide our interactions with rated items, rated item entities, Market Participants, and fellow Covered Personnel.

All Covered Personnel adhere to the Morningstar Code, subject to any supplements that are specific to certain Morningstar subsidiaries. This Morningstar Sustainalytics Code is one such supplement. While the concepts align, some of the Morningstar Sustainalytics requirements are more prescriptive and/or restrictive and should be followed instead of those set out in the Morningstar Code. In the event of any discrepancies or conflicts between the Morningstar Code and the Morningstar Sustainalytics Code, the provision establishing a higher standard shall prevail.

The Morningstar Sustainalytics Code is a summary of a range of policies, procedures and internal controls that Morningstar Sustainalytics has established to promote the integrity, transparency, independence, quality and comparability (where possible), responsibility, reliability, good governance and independence of its ESG Ratings, as well as to comply with applicable laws and regulations, including the EU ESG Ratings Regulation.

Please note that by adopting and publishing the Morningstar Sustainalytics Code, Morningstar Sustainalytics does not assume any responsibility or liability in relation to any party arising from or in connection with the Morningstar Code or the underlying policies, procedures and internal controls. The Morningstar Code does not form a contract of any kind with any party, and no party shall have any right whatsoever to enforce the Morningstar Sustainalytics Code in any respect. Morningstar Sustainalytics may, in its sole discretion, amend the Morningstar Sustainalytics Code at any time.

The Morningstar Sustainalytics Code applies to all Covered Personnel globally. However, certain sections apply to Covered Personnel differently depending on whether they are Analytical Personnel, Near Analytical Personnel, Non-Analytical Personnel, members of Senior Leadership or other types of Morningstar Sustainalytics Personnel.

The Morningstar Sustainalytics Code uses certain standard terms that are capitalized and defined herein or in the attached Appendix.

## Morningstar Sustainalytics ESG Ratings

Morningstar Sustainalytics ESG Ratings represent Morningstar Sustainalytics' opinion of a rated item or a rated item entity on either (a) the degree of risk, driven by ESG factors on a forward-looking basis; or (b) the ESG impact generated by non-financial factors on a forward-looking basis (or a combination of both). Morningstar Sustainalytics' ESG Ratings are not statements of fact. ESG Ratings are based on analysis of all reasonably available relevant public information in accordance with approved and applicable ESG Methodologies that are rigorous, systematic, independent, capable of justification and applied transparently, which include models and key rating assumptions. Morningstar Sustainalytics updates ESG Methodologies periodically and, when material changes are deemed necessary, this may also lead to ESG Rating changes.

Morningstar Sustainalytics does not provide investment advice, and Morningstar Sustainalytics ESG Ratings are not buy, sell or hold recommendations. ESG Ratings make no assessment of the appropriateness of ownership for any given investor within their investment objectives. ESG Ratings address only ESG factors, risks or impacts, which are one element in an investor's decision-making process.

Morningstar Sustainalytics is not an investment advisor, nor does it provide investment, financial or other advice. None of its ESG Ratings should be construed as financial, investment, tax, legal, or other advice, or a recommendation, solicitation, endorsement, expert opinion or offer to buy, hold or sell any security, other investment, or make any investment, financial, or other decision.

## I. Quality and Integrity of the ESG Rating Process

### A. ESG Rating Process

(I.1) Morningstar Sustainalytics determines, reviews and issues ESG Ratings based on established product-specific ESG Methodologies, policies and processes.

(I.2) The Morningstar Sustainalytics ESG Rating process includes oversight by dedicated rating oversight committees designed to check that ESG Ratings are determined in accordance with the applicable ESG Methodologies and are based on data and information that meet all applicable policies and procedures governing data quality and integrity.

(I.3) The rating oversight committees comprise experienced Covered Personnel and operate as part of Morningstar Sustainalytics' internal control framework to ensure that ESG Rating determinations are subject to appropriate review and approval processes.

(I.4) ESG Ratings are based on reasonably available relevant public information and reflect all reasonably available relevant public information known to Morningstar Sustainalytics. Morningstar Sustainalytics' policies, procedures and controls are designed so that ESG Ratings are based on an appropriate analysis of all such information.

(I.5) When deciding whether to rate or continue to rate a rated item or a rated item entity, Morningstar Sustainalytics considers whether its Analytical Personnel have or will have access to sufficient information, and the appropriate knowledge and experience, to perform the ESG Rating determination. Morningstar Sustainalytics has adopted measures designed to ensure that the information and data it uses for an ESG Rating are of sufficient quality to support the ESG Rating and are sourced from reliable sources. These measures generally include the application of data quality controls, validation processes, and governance standards in accordance with applicable data management policies. Morningstar Sustainalytics does not audit any information it receives.

(I.6) Morningstar Sustainalytics defines the meaning of each category in its ranking system and applies those categories consistently across all rated items or rated item entities to which a given rating ranking system applies.

### B. ESG Methodologies

(I.7) Morningstar Sustainalytics maintains ESG Methodologies for ESG Ratings, which Morningstar Sustainalytics has developed, reviewed and approved to be rigorous, systematic, independent and capable of justification. The ESG Methodologies are subject to validation, and Morningstar Sustainalytics reviews them on an ongoing basis and at least annually. Morningstar Sustainalytics applies ESG Methodologies continuously, in a transparent manner, and in a manner that is consistent across all rated items and rated item entities for which that ESG Methodology is used. Morningstar Sustainalytics publishes its ESG Methodologies on the Morningstar Sustainalytics website.

(I.8) Morningstar Sustainalytics has implemented the ESG Methodology Review group (“MRG”), which the Head of ESG Methodology chairs. The MRG is responsible for periodically reviewing and approving new ESG Methodologies and revisions or withdrawals of existing ESG Methodologies in accordance with established procedures and governance processes. Morningstar Sustainalytics only determines ESG Ratings in accordance with its published ESG Methodologies, which comply with applicable policies and procedures, as well as legal and regulatory requirements.

### **C. Analytical Personnel**

(I.9) Morningstar Sustainalytics holds its Analytical Personnel to standards of integrity and seeks to employ only those individuals who meet these standards.

(I.10) Morningstar Sustainalytics ensures that its Analytical Personnel, individually and collectively, are appropriately trained and have the appropriate knowledge and experience necessary for the performance of the duties and tasks assigned, including, where appropriate, a sufficient understanding of any potential material financial risk to the rated item or the rated item entity and any potential material impact of the rated item or the rated item entity on the environment and on society in general.

(I.11) Morningstar Sustainalytics structures its Analytical Personnel to promote continuity and avoid bias in its ESG Rating process. Morningstar Sustainalytics has put in place robust governance arrangements, including a clear organizational structure with well-defined, transparent, and consistent roles and responsibilities for Analytical Personnel involved in the provision of an ESG Rating.

(I.12) Morningstar Sustainalytics has allocated adequate resources to monitor its ESG Ratings and update them on an ongoing basis in accordance with Morningstar Sustainalytics policies and procedures.

(I.13) Morningstar Sustainalytics makes available regulatory disclosure reports for ESG Rating determinations, containing regulatory disclosures to the public, users of ESG Ratings and to rated items and rated item entities in accordance with applicable laws and regulations. Morningstar Sustainalytics revises such reports as part of updates to an existing ESG Rating.

(I.14) Morningstar Sustainalytics has policies and procedures that clearly set forth guidelines for determining and issuing ESG Ratings and the related reports.

### **D. Engagement with Users of ESG Ratings, Rated Item Entities and Other Stakeholders**

(I.15) Morningstar Sustainalytics and its Covered Personnel interact fairly, reasonably, transparently and in a non-discriminatory manner with Stakeholders, including users of ESG Ratings and rated items/rated item entities.

(I.16) Morningstar Sustainalytics does not implicitly or explicitly provide any assurance or guarantee of a particular ESG Rating to rated items, rated item entities and users of ESG Ratings prior to an ESG Rating being issued. Furthermore, Morningstar Sustainalytics and its Covered Personnel do not make promises or threats about potential ESG Rating determinations to influence rated items, rated item entities or users of ESG Ratings.

(I.17) Morningstar Sustainalytics and its Covered Personnel do not make proposals or recommendations regarding the activities of rated items or rated item entities. There may be interaction between Morningstar Sustainalytics and its Covered Personnel with rated items or rated item entities as part of the ESG Rating process. During the course of providing any information, Covered Personnel do not offer recommendations to rated items or rated item entities about potential suggestions or changes to their business activities to obtain the desired ESG Rating.

#### **E. ESG Ratings Control Mechanisms and Framework**

(I.18) Morningstar Sustainalytics has internal controls designed so that Covered Personnel comply with the internal policies, procedures and Codes as well as applicable laws and regulations. Among other things, Covered Personnel are required to comply with the Morningstar Code, and to annually certify that they are doing so. Furthermore, as part of the hiring process, new Covered Personnel are required to read the Morningstar Code, to be familiar with all related policies and procedures and to confirm their ability and intent to comply with them. The annual certification also requires Covered Personnel to acknowledge that they have read and understood and are compliant with the Morningstar Sustainalytics Code.

(I.19) Morningstar Sustainalytics has a Compliance function that operates separately from business activities and is responsible for monitoring and reviewing the compliance of Morningstar Sustainalytics and its Covered Personnel with the provisions of Morningstar Sustainalytics policies, procedures and Code, and with applicable laws and regulations. The Compliance function also reviews the adequacy of Morningstar Sustainalytics' policies, procedures and controls. Morningstar Sustainalytics has appointed a CCO to oversee and maintain the Morningstar Sustainalytics Compliance function.

(I.20) Morningstar Sustainalytics maintains a permanent, independent and effective governance structure, the Independent Oversight Coordinating Council ("IOCC"), to oversee the coordination of control mechanisms and functions relevant to the provision of ESG Ratings.

#### **F. Electronic Communications**

(I.21) Covered Personnel must use only approved electronic communication channels for business purposes and must not use unapproved communication methods for business-related communications, except in limited circumstances permitted by applicable policies or approved as exceptions by the Compliance function.

(I.22) Morningstar Sustainalytics monitors and retains electronic communications in accordance with applicable laws and regulatory requirements, including for compliance and supervisory purposes.

#### **G. Records Retention**

(I.23) Morningstar Sustainalytics maintains Records that enable Morningstar Sustainalytics to replicate and understand the determination of its ESG Ratings for a minimum period of seven (7) years in accordance with applicable laws and regulatory requirements in the jurisdictions in which Morningstar Sustainalytics conducts business. Morningstar Sustainalytics' policies, procedures, and controls are designed so that its Covered Personnel complies with Morningstar Sustainalytics' internal Records maintenance, retention, and destruction requirements and with applicable laws and regulations.

(I.24) Covered Personnel are responsible for retaining and archiving all Records, including but not limited to records of Analytical Activities performed in connection with ESG Ratings, in an appropriate manner according to the type of information contained therein, while upholding the need-to-know principle. Covered Personnel cannot destroy any Record until the end of its retention period determined in accordance with the applicable procedures.

## II. Morningstar Sustainalytics Independence and Avoidance of Conflicts of Interest

### A. General

(II.1) Morningstar Sustainalytics is committed to providing ESG Ratings that are objective and free from any kind of inappropriate economic, political, business, or personal influences. A conflict of interest is a situation where an individual or group faces competing interests or loyalties which could compromise or bias their professional judgment and/or objectivity. Conflicts of interest can harm Morningstar Sustainalytics by undermining the trust of users, market investors, regulators, and other Stakeholders. Morningstar Sustainalytics therefore maintains policies, procedures, internal controls and organisational arrangements designed to identify, prevent, manage, mitigate and disclose actual, potential and perceived conflicts of interest on an ongoing basis.

(II.2) Morningstar Sustainalytics does not delay or refrain from taking an ESG Rating determination based on the potential effect (economic, political or otherwise) of the action on Morningstar Sustainalytics, a rated item, rated item entity or other Market Participants.

(II.3) Morningstar Sustainalytics and its Covered Personnel are required to use care and professional judgment to maintain both the substance and appearance of Morningstar Sustainalytics' and their own independence and objectivity. Conflicts of interest can arise and develop in many forms, so it is essential that Covered Personnel continually ask themselves whether a potential conflict of interest may exist.

(II.4) Covered Personnel are required to avoid prohibited conflicts of interest, as detailed in the relevant policies, and avoid engaging in activities that might jeopardize, or appear to jeopardize, the independence, integrity and objectivity of Morningstar Sustainalytics' ESG Ratings, or reputation.

(II.5) Covered Personnel are required to promptly disclose any perceived, potential, or actual conflict of interest to their manager, the Compliance team or through dedicated disclosure channels, as appropriate. Further, Covered Personnel should seek ongoing advice and guidance from their managers, the Compliance team and Legal team.

(II.6) The determination of an ESG Rating is influenced only by factors relevant to a rated item's profile or characteristics with regard to environmental, social and human rights, or governance factors, or regarding its exposure to risks or impact on environmental, social and human rights, or governance factors and in accordance with the applicable ESG Methodology and based on sufficiently reliable and relevant data.

(II.7) All Covered Personnel are prohibited from paying, soliciting or receiving any bribes or authorizing anyone to do the same when performing services for or on behalf of Morningstar Sustainalytics and must be aware of, and carry out, their responsibilities in relation to preventing bribery and fraud.

(II.8) The determination of an ESG Rating by Morningstar Sustainalytics is not affected by the existence of or potential for a business relationship between Morningstar Sustainalytics and the rated item or rated item entity, or any other party, or the non-existence of such a relationship.

(II.9) Morningstar Sustainalytics provides ESG Ratings and operates its ESG Ratings business in a manner that ensures that other activities do not present conflicts of interest with its ESG Ratings activities.

#### **B. Morningstar Sustainalytics Policies, Procedures, Controls and Disclosures**

(II.10) Morningstar Sustainalytics employs adequate and effective resources and procedures that are designed to ensure that it issues, publishes and distributes ESG Ratings in compliance with applicable law and regulatory requirements.

Morningstar Sustainalytics establishes and operates written internal policies, procedures and organizational arrangements for the identification, disclosure, prevention, management and mitigation, as appropriate, of any actual or potential conflicts of interest that may influence the judgment and analyses of its Analytical Personnel.

These organizational arrangements include:

- organizational and functional separation of Commercial Personnel, Analytical Personnel and Near Analytical Personnel;
- access controls and information barriers;
- periodic reviews of conflicts of interest; and
- ongoing monitoring by the Compliance function and control functions.

Morningstar Sustainalytics reviews its operations to identify potential conflicts of interest at least annually.

In addition to the above, such policies, procedures and arrangements also address the prevention, management and mitigation of conflicts of interest due to Morningstar Sustainalytics' ownership or control or due to other interests in Morningstar Sustainalytics' group, or conflicts of interest that are caused by other persons that exercise influence or control over Morningstar Sustainalytics in relation to determining the ESG Rating, particularly in relation to Significant Influence Shareholders.

(II.11) All Covered Personnel should promptly notify the Compliance team whenever they become aware that (i) a Significant Influence Shareholder also holds an ownership interest in another entity or issuer of a security, and such entity or issuer is expected to become a subject to a Morningstar Sustainalytics ESG Rating and therefore may become a rated item entity; and (ii) a Significant Influence Shareholder also holds an ownership interest in or owns 20% or more of the voting rights of, or otherwise exercises significant influence over a rated item entity or an affiliated entity of that rated item entity.

(II.12) Morningstar Sustainalytics does not issue ESG Ratings for entities that are Affiliated Entities or part of Morningstar Sustainalytics. Morningstar Sustainalytics does not issue ESG Ratings if its Analytical Personnel have an actual or potential conflict of interest with a rated item or a rated item entity.

(II.13) Morningstar Sustainalytics discloses its actual and potential conflicts of interest in a complete, timely, clear, concise, specific and prominent manner, in accordance with applicable regulatory requirements.

(II.14) Morningstar Sustainalytics does not hold or transact in trading instruments presenting conflicts of interest with Morningstar Sustainalytics' ESG Rating Activities.

**C. Morningstar Sustainalytics Analyst and Employee Independence**

i. Compensation Arrangements

(II.15) Morningstar Sustainalytics structures reporting lines for Covered Personnel and their compensation arrangements to eliminate or manage actual and potential conflicts of interest. Morningstar Sustainalytics does not compensate or evaluate Analytical Personnel in such a manner as to create conflicts of interest or otherwise impinge upon the integrity of the ESG Rating determination process.

Morningstar Sustainalytics periodically conducts reviews of compensation policies and practices for its Analytical Personnel to check that these policies and practices do not compromise the objectivity of the rating process.

ii. Separation of Commercial Personnel, Analytical Personnel and Near Analytical Personnel

(II.16) Morningstar Sustainalytics maintains an organizational structure with supporting policies, procedures and internal controls designed to effectuate the physical and non-physical separation of its Analytical Personnel and Near Analytical Personnel performing Analytical Activities and Near Analytical Activities from Commercial Personnel performing Commercial Activities.

(II.17) Analytical Personnel are prohibited from initiating, arranging or participating in Commercial Activities, including negotiations, Fee or Pricing Discussions, or any other discussion about payments or commercial terms in addition to making bids, offers and trades on behalf of Market Participants. All such activities should be handled and conducted by Commercial Personnel. Analytical Personnel and Near Analytical Personnel may not attend, participate in, or seek information about any Fee or Pricing Discussions.

(II.18) Covered Personnel are prohibited from engaging in any behaviour that may (whether intentionally or otherwise) unduly influence or alter any Analytical Personnel or Near Analytical Personnel's judgments, assessments, opinions, findings, or conclusions in relation to their Analytical Activities or Near Analytical Activities (as applicable).

(II.19) Covered Personnel are required to avoid any outside business or employment activity that undermines their judgment or interferes, or gives the appearance of interfering, with their duties owed to Morningstar Sustainalytics. This includes, without limitation, business activities with a rated item, rated item entity, a competitor of them, or a competitor of Morningstar Sustainalytics.

(II.20) Other than arm's-length relationships conducted in the ordinary course of business, Covered Personnel must not enter into or have business relationships with any rated items or rated item entities or customer for which Morningstar Sustainalytics undertakes Analytical Activities and/or Data Activities, or with any entity that provides goods or services to Morningstar Sustainalytics.

iii. Personal Interests

(II.21) Morningstar Sustainalytics has adopted policies and procedures designed to ensure that issued ESG Ratings are free from compromising influences.

(II.22) Covered Personnel must disclose and obtain prior approval from the Compliance team before engaging in outside business activities, in accordance with applicable policies and procedures.

(II.23) Morningstar Sustainalytics policies require Covered Personnel to disclose to the Compliance team any Significant Personal Relationships that create the potential for any real or apparent conflict of interest. Covered Personnel are not permitted to perform work for, or interact with a rated item, rated item entity or a customer on behalf of Morningstar Sustainalytics if they have a Significant Personal Relationship with an employee of a rated item, rate item entity or customer.

(II.24) Analytical Personnel are not permitted to participate in Analytical Activities or otherwise influence the determination of the ESG Rating for a rated item entity or a rated item entity that was a former employer until at least 12 months have elapsed since the end of the employment relationship.

(II.25) Covered Personnel should promptly notify the Compliance team if they become aware of any perceived, potential or actual conflict of interest in accordance with the appropriate systems and procedures.

iv. Gifts, Business Entertainment and/or Other Benefits

(II.26) The ability of Covered Personnel to solicit, accept, give or receive Gifts, Business Entertainment or other benefits to and from external parties is subject to prohibitions, restrictions, limitations and self-declarations laid out in the Gifts, Entertainment and Other Benefits Global Policy.

(II.27) Analytical Personnel, their Immediate Family Members and Senior Leadership are not permitted to offer, give, solicit, receive or accept Gifts, Business Meals or Business Entertainment, other than certain types of Business Meals and Incidentals offered during conferences and events sponsored, hosted, or organized by Market Participants or Morningstar Sustainalytics.

(II.28) While Non-Analytical Personnel are not subject to the same prohibitions, they nevertheless are subject to certain restrictions with regard to the type of Gifts, Business Meals, and Business Entertainment they can give or receive.

v. Personal Securities Ownership and Trading

(II.29) Covered Personnel are prohibited from engaging in trading activities based on, or benefiting from any Morningstar Sustainalytics analysis, reports, ratings or assessments related to ESG Ratings that have not been published; or any underlying data sources of such research reports, ratings and/or assessments, that are not publicly available.

(II.30) It is a criminal offense to trade or encourage others to trade in financial instruments while in possession of related MNPI. All Morningstar Sustainalytics Personnel are prohibited from directly or indirectly engaging in insider trading and misusing Confidential Information.

(II.31) The Personal Securities Ownership and Trading Global Policy as well as the Morningstar Sustainalytics Code are designed, together with supporting policies and procedures, to identify, address and manage actual, potential or perceived conflicts of interest. In particular, Covered Personnel are subject to obligations relating to ongoing reporting, ongoing self-certifications and restrictions on personal trading and ownership of Reportable Accounts and Reportable Securities in accordance with their designated SSOT Level, to avoid conflicts of interest with Morningstar Sustainalytics' ESG Rating activities.

(II.32) Trading restrictions apply to Covered Personnel differently, depending on whether they are members of Senior Leadership, Analytical Personnel, Near Analytical Personnel, or otherwise Non-Analytical Personnel.

(II.33) Covered Personnel are required to comply with the Morningstar Sustainalytics' Personal Securities Ownership and Trading Global Policy, as well as to periodically certify their compliance with the same.

vi. Look-Back Reviews and Employment Cool Off

(II.34) Morningstar Sustainalytics maintains policies and procedures regarding situations in which Analytical Personnel leave the employment of Morningstar Sustainalytics and become employed by a rated item or rated item entity, particularly where Analytical Personnel participated in the determination of an ESG Rating involving such rated item entity. Where relevant, Morningstar Sustainalytics may conduct Look-Back Reviews to assess whether ESG Ratings involving such rated item entity may have been influenced by a conflict of interest and to determine whether any remedial actions are needed in accordance with applicable regulatory requirements.

(II.35) Analytical Personnel and members of Senior Leadership should not take up a senior management position at a rated item entity in circumstances where they have been involved in the determination of an ESG Rating regarding the rated item entity, until at least nine (9) months have elapsed from the date of the relevant ESG Rating.

vii. Certifications and Declarations

(II.36) Morningstar Sustainalytics requires the regular submission of certifications and declarations to support the identification, management and disclosure of potential, perceived and actual conflicts of interest. However, situations change, and it is the responsibility of Covered Personnel to promptly disclose any new potential, perceived or actual conflicts of interest to the Compliance team. Covered Personnel must not rely on the regular certifications and declarations as the sole means of such disclosure and must ensure continuous and prompt disclosure of any new conflicts of interest.

### III. Morningstar Sustainalytics Responsibilities to the Investing Public and Rated Items

#### A. Transparency and Timeliness of Ratings Disclosure

(III.1) Morningstar Sustainalytics provides information on the Morningstar Sustainalytics website to assist investors in developing a greater understanding of what an ESG Rating is, including its scope, key characteristics, ESG Methodologies, limitations and underlying assumptions.

(III.2) Morningstar Sustainalytics publishes sufficient information on its website about its policies, ESG Ratings, ESG Ratings process and its ESG Methodologies so that Market Participants can understand the manner in which Morningstar Sustainalytics determines its ESG Ratings. Morningstar Sustainalytics provides clear, comprehensive and publicly accessible disclosures regarding ESG Ratings, including key analytical considerations and assumptions, data sources, ESG Methodologies, and limitations, in accordance with applicable regulatory requirements. In addition to the aforementioned disclosed ESG Ratings information, Morningstar Sustainalytics also makes ESG Rating reports available to users and rated items/rated item entities.

(III.3) In accordance with applicable laws and regulatory requirements, Morningstar Sustainalytics typically discloses new ESG Methodologies and material changes to existing ESG Methodologies on the Morningstar Sustainalytics website and ensures that such changes are subject to defined governance, review and approval processes prior to implementation. Where feasible and appropriate, Morningstar Sustainalytics makes this disclosure before the change to an existing ESG Methodology takes effect. Morningstar Sustainalytics carefully considers the various uses of its ESG Ratings before modifying its ESG Methodologies, policies, procedures and processes.

(III.4) Morningstar Sustainalytics is transparent about the manner in which each ESG Rating is determined.

i. First Issuance Notification

(III.5) In accordance with ESG Ratings policies and procedures and applicable regulatory requirements, including the EU ESG Ratings Regulation, 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. Upon request by the rated item entity, Morningstar Sustainalytics makes available free of charge and on a non-commercial basis:

- a) The industry classification used.
- b) An overview of data sources, including whether data is sourced from sustainability statements, and an overview of data processes, estimation of input data in case of unavailability and frequency of data updates
- c) A more granular overview of data processes, including, where applicable, the use of estimation and industry average and explanation of the underlying ESG Methodology.
- d) The date of the last update of data.
- e) Any other data collected, estimated or computed that relates to the rated item or rated item entity, where relevant.

Analytical Personnel evaluate any clarifications and relevant information received in this context in accordance with relevant policies, procedures and ESG Methodologies.

(III.6) Morningstar Sustainalytics issues solicited ESG Ratings and unsolicited ESG Ratings and are based on an analysis of all sufficient publicly available information in accordance with applicable ESG Methodologies and applicable policies and procedures.

## **B. Treatment of Non-Public Information**

(III.7) Morningstar Sustainalytics has adopted policies, procedures and mechanisms to protect the Non-Public Information received, including that received from a rated item or a rated item entity. Unless otherwise permitted by such rated item or rated item entity, Morningstar Sustainalytics and its Covered Personnel should not disclose Confidential Information.

In particular, Morningstar Sustainalytics and its Covered Personnel should:

- a) Not use Non-Public Information for any purpose unrelated to Morningstar Sustainalytics' ESG Rating Activities, including disclosing such information to other Covered Personnel where the disclosure is not necessary in connection with Morningstar Sustainalytics' ESG Rating Activities. Covered Personnel may only use Confidential Information and Material Non-Public information as agreed with the disclosing party under the terms of any applicable agreement.
- b) Only share Non-Public Information with other Covered Personnel on a "need to know" basis. If Covered Personnel determine that they have Confidential Information or MNPI that they do not "need to know", they should stop accessing the relevant information, report the occurrence to their manager and notify the Compliance team.
- c) Take reasonable steps to protect Non-Public Information from fraud, theft, misuse or inadvertent disclosure.
- d) Not disclose Non-Public Information. Morningstar Sustainalytics keeps Non-Public Information confidential, unless disclosure is permitted by the rated item entity or required by applicable law or regulation.

(III.8) Covered Personnel must not bring proprietary information or Confidential Information with them when they join Morningstar Sustainalytics. Morningstar Sustainalytics does not tolerate the unauthorized receipt or use of intellectual property.

(III.9) Furthermore, Morningstar Sustainalytics protects its rights to its commercially significant intellectual property and Confidential Information. All Covered Personnel should be aware of this and comply with company procedures necessary to safeguard these assets.

(III.10) Morningstar Sustainalytics has adopted policies, procedures and controls designed to prevent violations of applicable laws and regulations governing the treatment and use of Confidential Information.

## **IV. Governance, Risk Management and Employee Training**

### **A. Systems and Controls**

(IV.1) Morningstar Sustainalytics has designed and implemented administrative and accounting procedures, internal control mechanisms, procedures and controls as well as safeguarding arrangements for information processing systems (mechanisms). Morningstar Sustainalytics monitors and evaluates the adequacy and effectiveness of these mechanisms on a periodic basis and at least annually and takes appropriate remedial measures where deficiencies are identified.

(IV.2) Morningstar Sustainalytics adopts and implements sound administrative and accounting procedures, internal control mechanisms, and effective control and safeguarding arrangements for information processing systems.

**B. Governance**

(IV.3) Morningstar Sustainalytics has implemented and maintains a decision-making approach and an organizational structure with clear reporting lines, functions and responsibilities.

(IV.4) Morningstar Sustainalytics does not outsource activities if doing so materially impairs the effectiveness of its internal controls or the ability of a regulatory authority to conduct reviews of Morningstar Sustainalytics' compliance with applicable laws and regulations.

(IV.5) Morningstar Sustainalytics implements and maintains an internal control framework structured around three lines of defence support, comprising:

- First line of defence: frontline business personnel responsible for risk identification and management.
- Second line of defence: global control functions and mechanisms, including the Compliance, Risk Management and Information Security functions, and the IOCC.
- Third line of defence: independent assurance through internal audit.

**C. Employee Training**

(IV.6) Morningstar Sustainalytics requires Covered Personnel to undergo ongoing training periodically to ensure Covered Personnel understand and comply with applicable laws, regulations, policies and procedures relevant to their roles and responsibilities, as appropriate.

(IV.7) The subject matter covered by employee training is relevant to their responsibilities and covers, as applicable, the Codes; ESG Methodologies; and Morningstar Sustainalytics' policies and procedures. Morningstar Sustainalytics' internal control framework includes measures to ensure that Covered Personnel complete the required training.

**V. Enforcement of the Morningstar Sustainalytics Code and Disclosures**

**A. Enforcement**

(V.1) The CCO is responsible for the oversight of Morningstar Sustainalytics' compliance with the Morningstar Sustainalytics Code and is supported by the Compliance function in monitoring adherence to and the effectiveness of the Morningstar Sustainalytics Code. Morningstar Sustainalytics discloses any material modifications made to this Morningstar Sustainalytics Code by publishing an updated version of the Morningstar Sustainalytics Code on the Morningstar Sustainalytics website.

(V.2) Where a failure to adhere to the Morningstar Sustainalytics Code or any Morningstar Sustainalytics policies and procedures also constitutes a breach of law, legal actions and sanctions may also be imposed on Covered Personnel by regulatory bodies or other external parties.

**B. Disclosures to Market Participants**

(V.3) Morningstar Sustainalytics disclosures are, to the best of its knowledge, complete, fair, accurate, timely and coherent to rated items, rated item entities and users of ESG Ratings, and made available in accordance with applicable regulatory disclosure requirements.

(V.4) The Morningstar Sustainalytics Code, ESG Methodologies and any other disclosures, as applicable, are all publicly and prominently available free of charge on a separate section of the Morningstar Sustainalytics website.

## Appendix - Definitions

**Analytical Activities** comprise the ESG Rating Activities and ESG Analytical Support Activities.

**Analytical Personnel** means all Morningstar Sustainalytics Personnel who perform Analytical Activities. Analytical Personnel comprises the members of the Research team, the ESG Methodology team, and the Research & ESG Methodology Oversight team.

**Business Entertainment** means an event in which (a) both the inviting and invited parties attend, and (b) some form of entertainment is also provided. Examples include sporting events (whether viewing or participating), theatrical and musical events. Business Entertainment does not include Incidentals or conferences, including a reception held in conjunction with such conferences. However, Business Entertainment may be provided in association with such events, in which case, the restrictions associated with Business Entertainment apply with regard to the Business Entertainment aspects of such events.

**Business Meal** means a meal attended with a Market Participant on behalf of Morningstar Sustainalytics. A Business Meal does not include Incidentals.

**CCO** means the Chief Compliance Officer of Morningstar Sustainalytics.

**Codes** means, collectively, the Morningstar Sustainalytics Code and Morningstar Code.

**Commercial Activities** comprise those activities with supporting the product definition, launch, selling, marketing, account management, and business development activities for ESG Ratings and other ESG data products or services.

**Commercial Personnel** means all Morningstar Sustainalytics Personnel who perform Commercial Activities. Commercial Personnel comprises the members of the Sales team, the Marketing team, the Support Desks team, and the Client Service and Support teams.

**Confidential Information** includes:

- i. information that is: (a) disclosed to Morningstar Sustainalytics by a disclosing party; (b) relates to business activities and operations, technical information and trade secrets, which are proprietary and confidential to the disclosing party; (c) is labeled or identified by the disclosing party as 'confidential' at the time of disclosure to Morningstar Sustainalytics; and (d) is expressly subject to the terms of an applicable confidentiality or non-disclosure agreement; and
- ii. information that a reasonable person would understand to be proprietary and confidential given the nature of the information and the context in which it is disclosed.

**Covered Personnel** comprises Analytical Personnel, Near Analytical Personnel, and Non-Analytical Personnel.

**Data Activities** means:

- i. gathering, grouping, categorizing, standardizing, curating, normalizing issuer reported or other information/raw data, and handling non-confidential information or raw data; and
- ii. review of the work product described in (i) above for quality control and consistency with Morningstar Sustainalytics internal guidance and requirements provided by the Research team and the Methodology team.

**ESG Methodology** is the framework Morningstar Sustainalytics uses to determine and monitor ESG Ratings. ESG Methodologies describe quantitative and qualitative analytical considerations, key rating assumptions, fundamental factors and other criteria, as appropriate and is not an all-inclusive list of the considerations and factors included in Morningstar Sustainalytics' ESG Ratings. ESG Methodologies may include models, algorithms and other analytics.

**ESG Rating Activities** means:

- i. analytical activities for the purpose of issuing ESG Ratings where the outcome is an ESG score or an ESG opinion and that involve application of qualitative or analytical judgment, including without limitation review, approval or finalization of ESG Ratings, as applicable;
- ii. analytical activities relating to development, review and approval of ESG Methodologies (including models, algorithms or other analytics) and other internal guidance used to issue ESG Ratings;
- iii. supervisory or oversight activities performed for the purpose of issuing ESG Ratings as contemplated in (i) and (ii) above, such as being a chair or member of oversight committees.

**ESG Ratings** means the proprietary Morningstar Sustainalytics products that are ESG ratings (as defined in the EU ESG Ratings Regulation) that are identified in the application for authorisation by Sustainalytics, B.V. pursuant to the EU ESG Ratings Regulation.

**EU ESG Ratings Regulation** means Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities and the relevant regulatory technical standards promulgated pursuant to the regulation, as may be amended from time to time.

**Fee or Pricing Discussion** means soliciting, negotiating, discussing, or arranging for payment of fees for any ESG product and service of Morningstar Sustainalytics, including providing pricing and Fee Information to Market Participants seeking to engage Morningstar Sustainalytics. Mere receipt, hearing, or viewing of Fee Information does not constitute a Fee Discussion. Discussions with a third-party vendor or service provider with respect to goods and/or services provided to Morningstar Sustainalytics does not constitute a Fee Discussion.

**Gift** means an event (such as meals and entertainment) where the provider is not present, object (including cash or cash equivalents), or service, of monetary value or that otherwise benefits the recipient. Gift does not include meals, entertainment or other events where the provider is present, Incidentals, or waiver of fees to attend a conference due to participation as a speaker, panellist, presenter or the like.

**Immediate Family Member** means in relation to Morningstar Sustainalytics Personnel, their spouse, domestic partner, child, or other relative or person living with or financially dependent upon them.

**Incidentals** means objects (excluding cash or cash equivalents), events (including meals and entertainment), or services, provided in the course of normal business activities, such as at meetings and conferences, that are reasonably believed to have a monetary value of USD 25 or less.

**Look-Back Review** means the process in which Morningstar Sustainalytics reviews the Analytical Activities performed by Analytical Personnel during the Look-Back Review Period to determine whether there has been any conflict of interest.

**Market Participants** comprise:

- i. relevant third parties in the ESG ratings market;
- ii. actual or potential customers;
- iii. rated item entities; and
- iv. entities with which Morningstar Sustainalytics engages or on behalf of which Morningstar Sustainalytics performs services.

**Material Non-Public Information** or **MNPI** refers to information (positive or negative) that:

- i. is not publicly available (has not been disseminated in a manner making it available to the market generally);
- ii. could be reasonably expected to have an impact on the market price of a company's securities; and
- iii. would likely be considered relevant by reasonable investors in their investment decision-making (i.e., to buy, sell, or hold securities).

**Morningstar Code** means the Morningstar Code of Ethics.

**Morningstar Sustainalytics** means the Morningstar Sustainalytics group comprising Sustainalytics, B.V., Sustainalytics Canada, Sustainalytics U.S., Inc. and Sustainalytics UK Limited.

**Morningstar Sustainalytics Code** means the Morningstar Sustainalytics Code of Conduct.

**Morningstar Sustainalytics Personnel** means all full-time or part-time Morningstar Sustainalytics employees, interns, co-ops, contractors and consultants employed by the Morningstar Sustainalytics group.

**Near Analytical Activities** comprise the Data Activities and Quality Activities.

**Near Analytical Personnel** means all Morningstar Sustainalytics Personnel who perform Near Analytical Activities. Near Analytical Personnel comprises Data Personnel and Quality Personnel.

**Non-Analytical Personnel** means all Morningstar Sustainalytics Personnel who do not perform Analytical Activities nor Near Analytical Activities. Non-Analytical Personnel comprise Commercial Personnel, Product Personnel, ESG Technology Personnel, and Friends of Sustainalytics.

**Non-Public Information** means Internal Information, Confidential Information and/or Material Non-Public Information.

**rated item** has the meaning given to the term under the EU ESG Ratings Regulation.

**rated item entity** means:

- i. a rated item where such rated item is a legal person, public authority or body governed by public law; or
- ii. the underlying issuer of a rated item where such rated item is a financial instrument or financial product.

**Records** means information relating to Morningstar Sustainalytics' Analytical Activities and/or certain information relating to Morningstar Sustainalytics' ESG Ratings business subject to record-keeping requirements under applicable regulations.

**Reportable Accounts** means any brokerage or other type of investment account in which securities may be bought and sold, and in respect of which Covered Personnel has beneficial ownership or control (where they may directly or indirectly, profit or share in any profit in the account). Reportable Accounts include joint accounts in addition to accounts for which Covered Personnel has investment discretion or control (e.g. a trust account).

**Reportable Securities** means any financial instrument issued, guaranteed, or otherwise supported by, a rated item entity, or by any entity within the group of that rated item entity, that is rated by Morningstar Sustainalytics. Reportable Securities include, but are not limited to stocks, shares, debt securities, derivatives, warrants and options.

**Senior Leadership** means the President of Morningstar Sustainalytics and the following individuals:

- i. Member(s) responsible for Analytical Activities;
- ii. Member(s) responsible for the Product Activities;
- iii. Members responsible for Commercial Activities;
- iv. Chief Operating Officer of Sustainalytics; and
- v. Other members reporting to the President of Morningstar Sustainalytics and designated as part of Senior Leadership.

**Significant Influence Shareholder** means any Morningstar Shareholder that:

- i. has 20% or more of the voting rights in a Morningstar entity, in accordance with Article 2, point (13), second sentence of Directive 2013/34/EU; or
- ii. otherwise exercises significant influence over Morningstar Sustainalytics.

**Significant Personal Relationship** identifies the situation in which a member of Morningstar Sustainalytics Personnel has an Immediate Family Member employed by an entity for which said Morningstar Sustainalytics Personnel performs work or interacts with.

**Stakeholder** means a natural or legal person who alleges an interest in an ESG Rating, the rated item to which an ESG Rating relates, or the rated item entity of an ESG Rating, and who is not a Complainant (but may be an Eligible Complainant).

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