ICMA Code of Conduct for ESG Ratings and Data Products Providers Statement of Application

Morningstar Sustainalytics is a global provider of ESG research and ratings across over 20,000 companies worldwide via different products. Morningstar Sustainalytics provides a variety of securities-level ESG-focused research and ratings to institutional investors, primarily asset managers, asset owners, and other financial market participants, but also directly to corporate clients.

Morningstar Sustainalytics services relevant markets via local entities and affiliates. We welcome efforts internationally to improve standards and enhance the transparency of methodologies for ESG ratings and data products through reforming practices in transparency, governance, systems and controls, and management of conflicts of interest.

We believe the ICMA Code of Conduct for ESG Ratings and Data Products Providers (the "Code") establishes a helpful framework for delivering the desired reforms and we set out below our approach to applying its 6 principles in connection with our ESG Risk Ratings product. We would also draw attention to the **Morningstar Code of Ethics**, the **Morningstar Sustainalytics Code of Conduct**, and the **Morningstar Sustainalytics Conflicts of Interest Inventory**.

I. Principle on Good Governance

Morningstar Sustainalytics, on an ongoing basis, is evaluating and enhancing its governance and oversight arrangements in order to support its application of the principles and overall objectives of the Code in connection with its ESG Risk Ratings product. Policies and procedures are being augmented with the intention of ensuring we continue to deliver independent, high-quality ratings, provide appropriate levels of transparency, and identify, and effectively mitigate or manage, actual or potential conflicts of interest.

II. Principle on Securing Quality (Systems and Controls)

We maintain processes designed to ensure that our ESG Risk Ratings are based on sufficient and relevant information, which is either publicly available or collected from appropriate sources (see further V and VI., below) in addition to a consistent application of the relevant methodology (published **here**).

To support our processes, Morningstar Sustainalytics employs systems designed to enable the performance of its activities and places an emphasis on attracting, retaining, and developing personnel that are competent, professional and of high integrity.

III. Principle on Conflicts of Interest

We maintain policies and procedures designed to mitigate or manage potential or actual conflicts of interest. For further details please refer to the Morningstar Code of Ethics, the Morningstar Sustainalytics Code of Conduct, and the Morningstar Sustainalytics Conflicts of Interest Inventory, at the links above.

IV. Principle on Transparency

We consider that transparency is key to understanding ESG-driven risks; appropriate information concerning our ESG Risk Ratings product, its methodology, and the processes underpinning that methodology are accordingly made publicly available **here**.

V. Principle on Confidentiality (Systems and Controls)

For our ESG Risk Ratings, we use information that is either publicly available or collected from other relevant sources. To the extent permitted by our information standards, information received other than from public sources is subject to policies and procedures for the proper handling of confidential information; additional information can be found in our Code of Conduct.

VI. Principle on Engagement (Systems and Controls)

Our processes for information gathering (including engagement with covered entities and publication feedback) in connection with our ESG Risk Ratings are undertaken as further detailed in the product methodology (see II., above). All information is required to meet standards of credibility, and we invite covered companies to review the data we compile in connection with our ESG Risk Ratings.