Data Validation Guide:
ESG Risk Rating; Controversies ESG Rating; Global Standards Screening ESG Rating; LCTR ESG Rating

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Introduction to Data Validation

Morningstar Sustainalytics provides ESG assessments that evaluate a company's exposure to material ESG risks and how those risks are managed for the purposes of offering a clear and consistent view of this information to the market.

The data we use for our assessments comes from both company and non-company public sources. We do not use or accept non-public information within our ESG assessments. As part of our commitment to providing high quality and accountable research, we invite rated companies to participate in product-specific data validation in order to flag any potential factual errors.

Whereas validation steps may vary by product, we are fully committed to transparency and accountability while upholding the independence and integrity of our research outcomes and processes. Please take notice of the product-specific timelines for us to be able to review and integrate your feedback as applicable. The deadlines start from the day you receive the email that informs you about the draft report being ready for your review.

This guide explains how data validation works across several Morningstar Sustainalytics products, as enlisted below, and outlines what your organization can expect during the process:

- ESG Risk Rating;
- Controversies ESG Rating;
- Global Standards Screening (GSS);
- LCTR ESG Rating.

Data Validation Best Practices

What to Review

- Only flag potential factual errors in the research.
- There is no need to comment on criteria already marked "YES".
- Review the full indicator description carefully, noting that each criterion has specific requirements.

Evidence & Documentation Standards

To help us verify any potential factual errors:

- Submit specific, relevant supporting evidence from publicly available sources **only**.
- Evidence should include verbatim transcription or precise data, not summaries or interpretations.
- Specify where information appears and where to find it (document name, page number, or section).
- Submit evidence that aligns with the indicator type. For policy indicators, only formal policy documents will be accepted.
- Provide a direct link to the public source in the 'Supporting Evidence (Link)' column.
- Use only **one document type** per criterion (e.g. policy **or** annual report).

Source Eligibility & Timing

- We only accept **publicly available** information - private or internal documents are not permitted.
- Do not reference documents created or updated after the start of the data validation stage.
    - If relevant, newer disclosures will be reviewed during the next research update.

Submission Guidelines

- Submit **one consolidated** round of feedback per research cycle.
- All comments must be provided in English.
- Do not share documents via external file-sharing platforms (e.g., iCloud, Google Drive, Dropbox, or downloadable links).
- Please email the completed template directly to **issuer.relations@morningstar.com**.

Product Overview

ESG Risk Rating

Morningstar Sustainalytics' ESG Risk Rating provides a multi-dimensional assessment of a company's exposure to industry-specific material ESG risks and its management of those risks. The rating provides an absolute measure of unmanaged risk, allowing companies to understand where risk remains after accounting for the programmes, policies, and practices in place. Our transparent methodology categorizes risks into five levels of severity, ranging from Negligible to Severe.

Controversies ESG Rating

Morningstar Sustainalytics provides an assessment of a company’s involvement in incidents with negative environment, social and governance (ESG) implications through a double materiality lens:

- **Risk Event Score**: focuses on the level of legal, operational, regulatory, compliance, reputational and financial risks faced by the company due to its involvement in the controversy, adjusted by financial health considerations.
- **Impact Event Score**: focuses on the adverse impact on stakeholders and/or the environment, evaluated based on the scale and scope of the incident, adjusted by remediation efforts taken by the company.

Each event is assigned a Category 1 (low-severity events) to Category 5 (serious and persistent events) severity rating, offering a clear and consistent view of how an incident unfolds, the response, and the potential degree of risk.

Global Standards Screening ESG Rating

Morningstar Sustainalytics’ Global Standards Screening (GSS) ESG Rating provides an assessment of a company’s alignment to international norms and standards related to human rights, labor rights, environmental protection, and business ethics. The assessment evaluates impact on stakeholders and the extent to which a company causes, contributes to, or is directly linked to violations of these standards. It draws on the United Nations (UN) Global Compact Principles, as well as related frameworks like the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.

The GSS assessment helps organizations identify gaps, strengthen governance and due diligence practices, to better understand how allegations or confirmed incidents relate to widely recognized international standards. All companies researched under the GSS ESG Rating product are assessed as either Compliant, Watchlist or Non-Compliant in relation to international standards, rather than a score or rating.

LCTR ESG Rating

Morningstar Sustainalytics' Low Carbon Transition Rating assesses how well a company is preparing for a future low carbon economy. The rating measures how each company is aligned with their net-zero emissions budget.

Research Updates

ESG Risk Rating

Morningstar Sustainalytics' research process for the ESG Risk Rating has two distinct phases:

Phase	Purpose	Action	Submission Method
FULL UPDATE	Main annual assessment and scoring updates (includes First Issuance to review preliminary findings)	Fact Check Report available via Issuer Gateway	Email Fact Check Report to: issuer.relations@morningstar.com
POST-FULL UPDATE	Flag factual issues between cycles.	Provide comments via Issuer Gateway.	Comments submitted through Issuer Gateway

Phase 1a: Full Update (First Issuance)

All companies (both **Comprehensive and Core Framework**) receiving an ESG Risk Rating for the first time are invited to review preliminary findings and provide comments.

	COMPREHENSIVE AND CORE RATINGS FRAMEWORKS
WHAT YOU NEED TO DO	**Getting Started:** You will receive an email notification when the Fact Check Report is available with the option to Opt-In to the Feedback Process. **If you Opt-In:** 1. Download the Fact Check Report from the Downloads section of the Issuer Gateway (available during Data Validation stage). 2. Enter comments directly into the template (Note: Do not alter the template's structure). 3. Submit template via email to: issuer.relations@morningstar.com
TIMELINES	**Opt-in to Feedback Process**: 1 week **Submit Feedback:** 2 weeks

Phase 1b: Full Update (Annual update cycle)
Both comprehensive and core companies are encouraged to prepare for the full update by reviewing the methodology available in our Information Center. As part of the annual update cycle, a subset of **comprehensive framework** companies (primarily driven by a company's inclusion in designated financial indices) are contacted for feedback on the Fact Check Report before publication during the regular annual update cycle (meaning those that are not rated for the first time). Nevertheless, all companies can provide feedback after the annual update is completed.

ESG Risk Rating:

	COMPREHENSIVE RATINGS FRAMEWORK (A SUBSET)
WHAT YOU NEED TO DO	**Getting Started:** 1. You will receive an email when the Fact Check Report is available. 2. Download the Fact Check Report from the Downloads section of the Issuer Gateway (available during Data Validation stage).
TIMELINES	**Submit Feedback:** 2 weeks

Phase 2: Post-Full Update (Between annual cycles)
Between annual updates, all companies can flag potential factual errors.

	COMPREHENSIVE RATINGS FRAMEWORK	CORE RATINGS FRAMEWORK
WHAT YOU NEED TO DO	**Getting Started:** You will receive an email when your updated ESG Risk Rating is published on Issuer Gateway. **Submitting Feedback:** You can submit comments directly via Issuer Gateway: 1. Sign In → Research Tab → ESG Risk Rating → Management Indicators. 2. Select an indicator and click **ADD COMMENT**. 3. Click **SAVE COMMENT** (Note: this saves your draft only). 4. To submit, go to Communications Log → **SUBMIT TICKET**. 5. Submit all comments in a single ticket.	

NOTE	Company feedback should focus on correcting potential factual errors related to the published full update.

Controversies ESG Rating

Morningstar Sustainalytics' research process for the Controversies ESG Rating has three distinct phases:

Phase	Purpose	Action	Submission Method
FULL UPDATE	Opportunity to review preliminary findings for First Issuance	Fact Check Report available via Issuer Gateway	Email Fact Check Report to: issuer.relations@morningstar.com
POST-FULL UPDATE	Flag factual issues	Provide comments via Issuer Gateway.	Comments submitted through Issuer Gateway
ONGOING MONITORING	Companies are monitored continuously for possible incidents that may	Provide evidence or updates when contacted.	Email when invited

Phase 1: Full Update (First Issuance)

Companies which receive their first Controversies ESG Rating by Morningstar Sustainalytics will be contacted to review the preliminary findings.

WHAT YOU NEED TO DO

Getting Started:

You will receive an email notification when the Fact Check Report is available with the option to Opt-In to the Feedback Process.

If you Opt-In:

1. Download the Fact Check Report from the Downloads section of the Issuer Gateway (available during Data Validation stage).
2. Enter comments directly into the template (Note: Do not alter the template's structure).
3. Submit template via email to: issuer.relations@morningstar.com

TIMELINES	**Opt-in to Feedback Process and Submit Feedback:** 1 week

Phase 2: Post–Full Update (Between annual cycles)

During the period between annual updates, companies can still flag potential factual issues and share newly available information.

WHAT YOU NEED TO DO	**Submitting Feedback:** You can submit comments directly via Issuer Gateway: 1. Sign In → Research Tab → Controversies → Event Indicators. 2. Select an event indicator and click **ADD COMMENT**. 3. Click **SAVE COMMENT** (Note: this saves your draft only). 4. To submit, go to Communications Log → **SUBMIT TICKET**. 5. Submit all comments in a single ticket.

Phase 3: Ongoing Monitoring

Companies are monitored continuously for possible incidents that may warrant a review of their status. For relevant incidents, analysts conduct further fact-finding research, and companies may be contacted to provide evidence or updates.

Global Standards Screening (GSS) ESG Rating

GSS assesses alignment with globally accepted norms, such as the UN Global Compact Principles, through a structured process that includes incident review and ongoing monitoring that sit in two phases:

Phase	Purpose	Action	Submission Method
FIRST ISSUANCE	Fact check preliminary GSS findings	Complete GSS ESG Rating Fact Check Report provided via email.	Email to: issuer.relations@morningstar.com
ONGOING MONITORING	Review potential incident impact on GSS status	Provide evidence or updates when contacted.	Email when invited

All companies researched under GSS are monitored on an ongoing basis for potential incidents that may warrant a review of their status.

Phase 1: First Issuance (Initial Classification)

For companies receiving their first GSS ESG Rating (Compliant, Watchlist, or Non-Compliant):

WHAT YOU NEED TO DO	**Getting Started:** You will receive an email with preliminary findings for factual review. **Submitting Feedback:** 1. Complete and return the GSS Fact Check Report exactly as provided (Note: Do not change the template structure or send comments in other formats, including PDF, Word, email text). 2. Email completed template to issuer.relations@morningstar.com (or the address listed in your notification if different).
TIMELINES	**7 days** to submit the completed template

Phase 2: Ongoing Monitoring (Between Classifications)

All companies covered by GSS are monitored continuously for possible incidents that may warrant a review of their status. For relevant incidents, analysts conduct further fact-finding research, and companies may be contacted to determine whether the case requires a possible change of the assessment status and/or an update of the assessment report.

Note: Companies may solicit to review their GSS ESG Rating throughout the year by emailing the Issuer Relations Team at issuer.relations@morningstar.com.

LCTR ESG Rating

Morningstar Sustainalytics' research process for the LCTR ESG Rating has two distinct phases:

Phase	Purpose	Action	Submission Method
FULL UPDATE	Opportunity to review preliminary findings for First Issuance	Fact Check Report available via Issuer Gateway	Email Fact Check Report to: issuer.relations@morningstar.com
POST-FULL UPDATE	Flag factual issues	Provide comments via Issuer Gateway.	Comments submitted through Issuer Gateway

Phase 1: Full Update (First Issuance)

Companies which receive their first LCTR ESG Rating by Morningstar Sustainalytics will be contacted to review the preliminary findings.

WHAT YOU NEED TO DO	**Getting Started:**

	You will receive an email notification when the Fact Check Report is available with the option to Opt-In to the Feedback Process. **If you Opt-In:** 1. Download the Fact Check Report from the Downloads section of the Issuer Gateway (available during Data Validation stage). 2. Enter comments directly into the template (Note: Do not alter the template's structure). 3. Submit template via email to: issuer.relations@morningstar.com
TIMELINES	**Opt-in to Feedback Process**: 1 week **Submit Feedback:** 2 weeks

Phase 2: Post–Full Update (Between annual cycles)

During the period between annual updates, companies can still flag potential factual issues and share newly available information

WHAT YOU NEED TO DO	**Submitting Feedback:** You can submit comments directly via Issuer Gateway: 1. Sign In → Research Tab → Low Carbon Transition Rating → Value Chain Analysis. 2. Select an indicator and click **ADD COMMENT**. 3. Click **SAVE COMMENT** (Note: this saves your draft only). 4. To submit, go to Communications Log → **SUBMIT TICKET**. 5. Submit all comments in a single ticket.
NOTE	Company feedback should focus on correcting potential factual errors related to the published full update.

General Questions

Companies can email the Morningstar Sustainalytics Issuer Relations Team at issuer.relations@morningstar.com for any related questions.

Morningstar Sustainalytics has a well established process for collecting feedback from issuers and rated entities at appropriate points in the research publication cycle. We also welcome constructive feedback and open dialogue from our clients regarding our Ratings and Methodologies.

However, it's important to note that we are not able to discuss individual ratings. Engaging in such discussions could lead to potential conflicts and would compromise our commitment to analyst independence and the integrity of our research. To safeguard the objectivity and credibility of our ratings, we therefore do not consider or engage in feedback or inquiries of this nature.

We truly appreciate your understanding and your respect for the independence and expertise of our analytical teams. If you have any further questions or need additional clarification, please contact us at issuer.relations@morningstar.com.