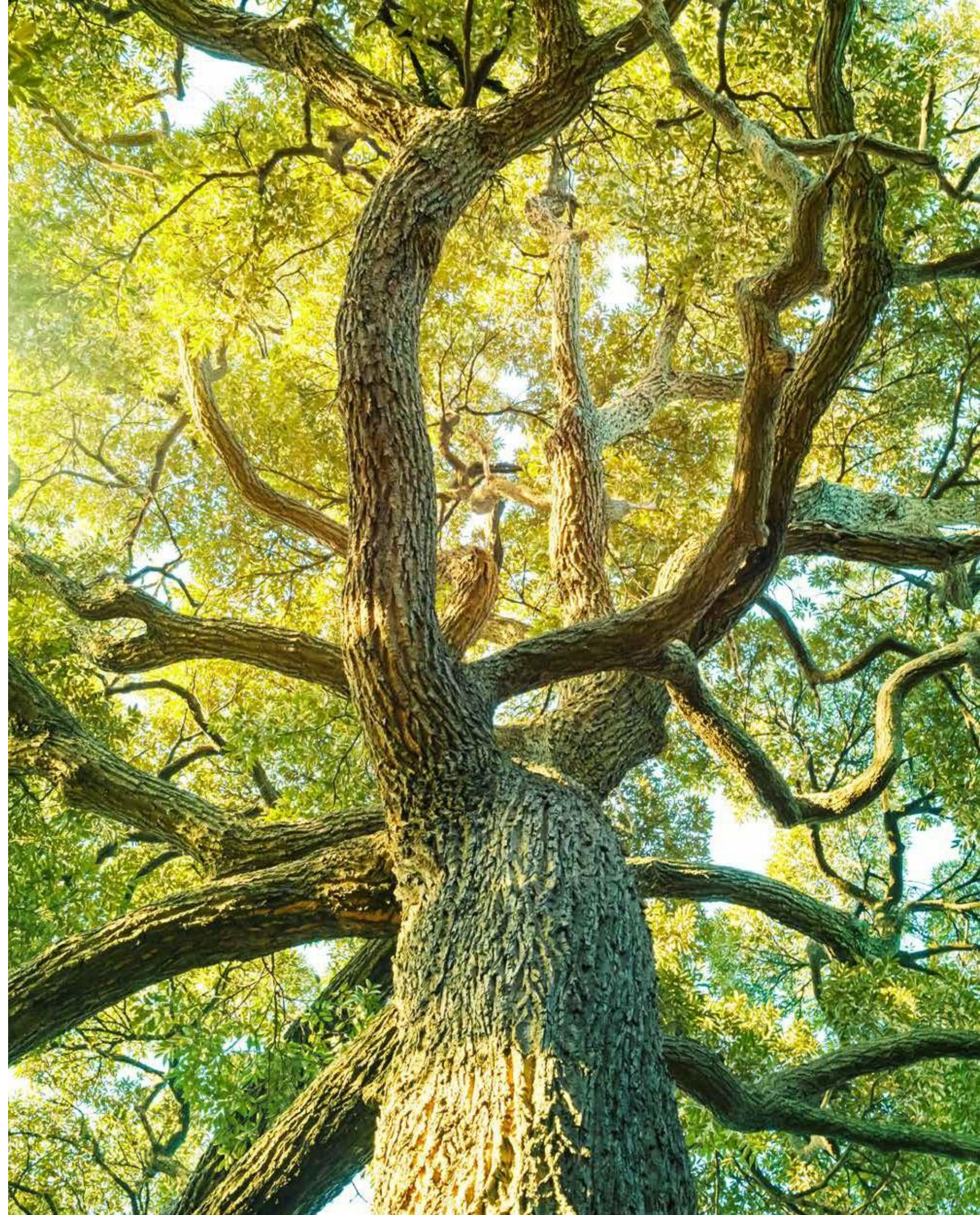


Preparation Guide: ESG Risk Rating Full Update

For Companies Rated Under the
Comprehensive Framework

Last updated: **July 2024**



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Overview of Full Update Process

Executive Summary



This deck is designed to help companies prepare for Morningstar Sustainalytics' full research update of the ESG Risk Rating.

- ***EMAIL NOTIFICATIONS:**

1. *How to Prepare for the full update.*
2. *Research start is approaching.*
3. *Data validation phase begins.*
4. *Rating is posted online.*

- **ISSUER GATEWAY PORTAL:** Sign into the Issuer Gateway portal or register for an account. Use the portal to become familiar with the existing ESG Risk Rating and methodology. Review the subindustry classification. Access helpful resources via the Information Center.
- **DOCUMENT UPLOAD :** Use the portal to upload NEW documents only.

Please read on for more details.

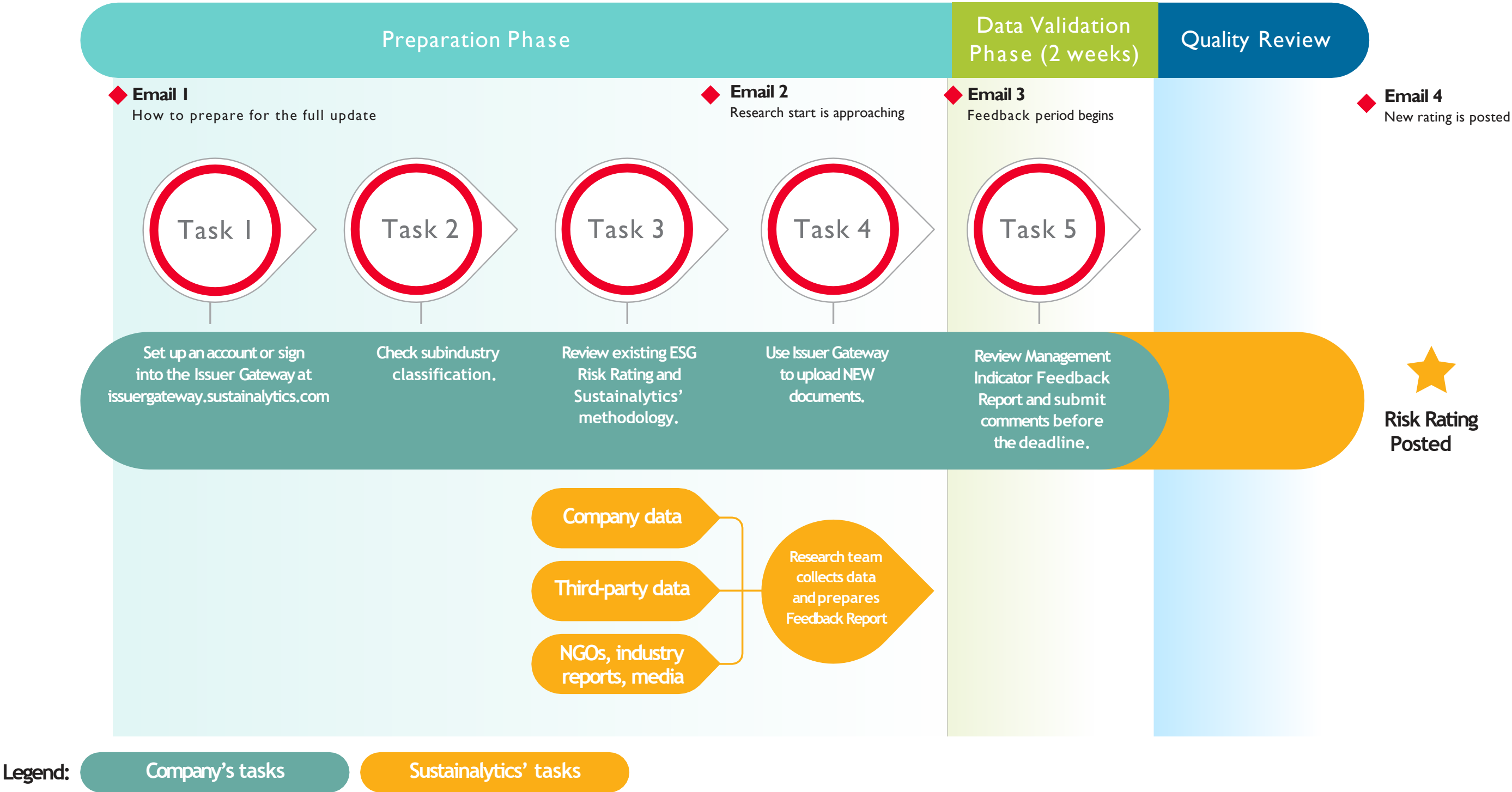
Reach out if you have any questions: issuer.relations@morningstar.com

*Email alerts may not be received by an issuer for a variety of reasons. Morningstar Sustainalytics makes a good faith commitment to send notifications to all issuers we have an email contact for.

Full Update Process

What Your Company Needs To Do, and When

The full update schedule is based on existing circumstances. Morningstar Sustainalytics reserves the right to adjust the timing.



Preparation Phase: Company's Key Tasks

Task 1: Set Up An Issuer Gateway Account

Access All Key Resources

Use the Issuer Gateway account to:

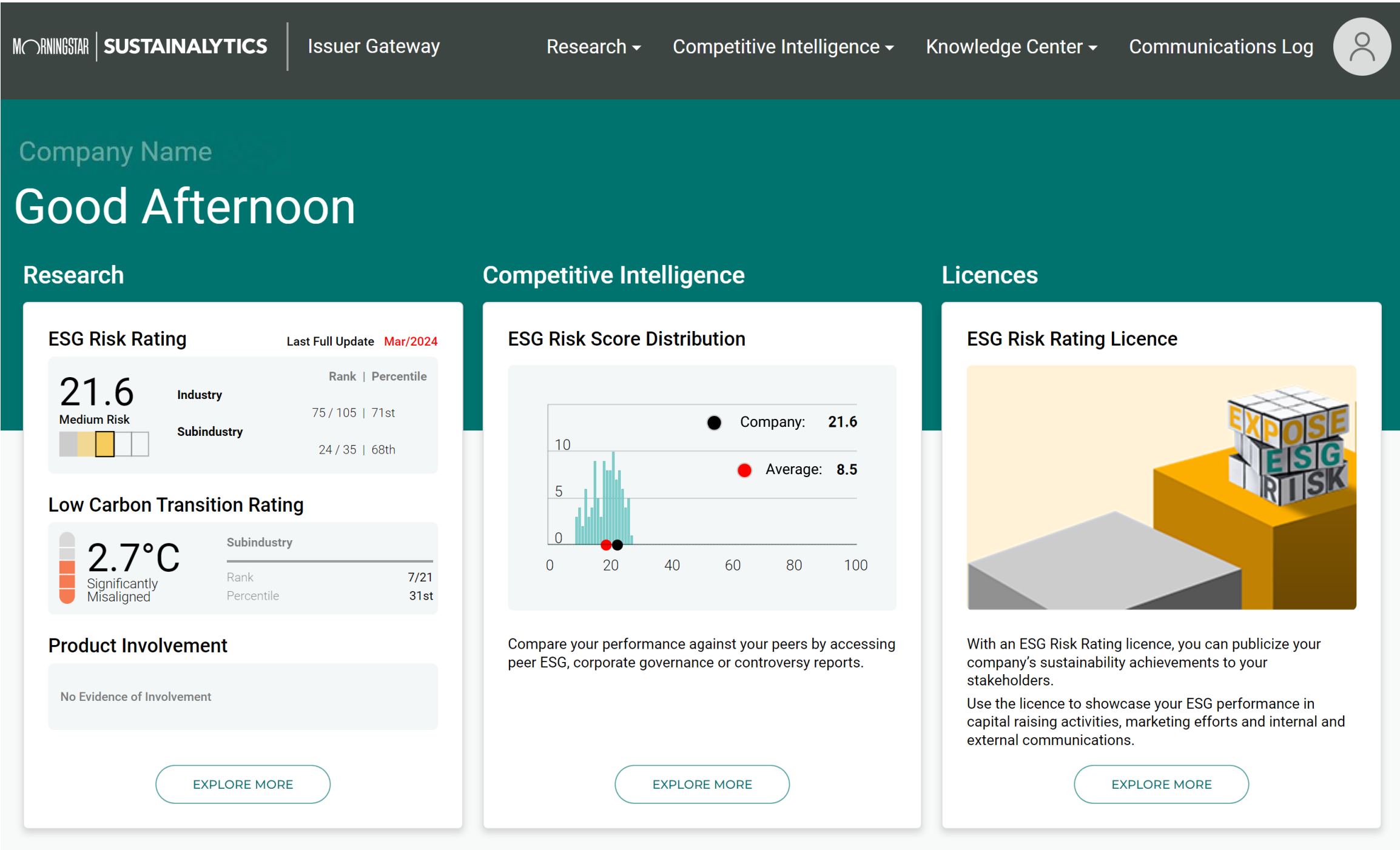
- Access Sustainalytics ESG research on your company including:
 - **ESG Risk Rating**
 - **FAQ and methodology** documents via the [Information Center](#).
 - **Management Indicators Feedback Report** (during full update cycle).
 - **Management Indicators Response Template** (during full update cycle).

Quick Links:

issuergateway.sustainalytics.com

Contact Sustainalytics with any questions:

issuer.relations@morningstar.com



Task 2: Check Key Details

Subindustry Classification; Confirm Sustainability Report Release Date

Subindustry Classification

Review ESG Risk Rating details via the Research tab.

Sustainalytics assigns each company we research to a subindustry. To determine the classification, Research analysts examine a company's revenue sources, corporate structure, business activities, products/services offered, as well as how it compares to its subindustry peers.

- Take note of your company's subindustry classification. Material ESG Issues are assigned at the subindustry level.
- If you believe the subindustry classification is incorrect, immediately contact: issuer.relations@morningstar.com. You can request a review of the decision. [Click here for a Request Form.](#)

For more details on subindustry classification, including an FAQ, definitions and typical documents for each subindustry, [click here.](#)

Sustainability Report/Major ESG Disclosure Dates

Confirm the release date of the most recent and/or future ESG disclosure: Corporate Sustainability Report (or equivalent), Annual Report.

Contact: issuer.relations@morningstar.com

Task 3: Review the Existing ESG Risk Rating & Methodology

MORNINGSTAR | SUSTAINALYTICS

Issuer GatewayResearchCompetitive IntelligenceKnowledge CenterCommunications Log

Company Name

Research

View/comment on available ESG assessments, upload/download documents and view available badges/logos.

Access Management Indicators Feedback Report and ESG Risk Rating Report in Downloads.

ESG Risk Rating

Controversies

Product Involvement

Low Carbon Transition Rating

Alignment Overview

Exposure

Management

Value Chain Analysis

TCFD

Documents

ESG Risk Rating

Score and Risk Category

16.3 Low Risk

Negligible

Low

Medium

High

Severe

0-10

10-20

20-30

30-40

40+

ESG Risk Rating Score Change Log

The company is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. The company is noted for its strong corporate governance performance, which is reducing its overall risk. The company is

ESG Risk Rating History

LEARN MORE ABOUT OUR METHODOLOGY

See [Methodology Abstract here](#).

Task 4: Upload NEW Documents via the Issuer Gateway



Upload NEW ESG Documents

- Please focus on new ESG disclosure. If an existing document is easily found and downloadable from a company website, Morningstar Sustainalytics likely has this document.
- See [list of common documents \(per subindustry\)](#)
- TIP: How to [upload documents](#)



Documentation

- Morningstar Sustainalytics prefers to receive all documents in English, but we will also accept this information in other languages. Non-English documents will be translated by our Research Team using an external translation tool.
- We do not accept any of the following:
 - Locked PDFs.
 - Scanned documents in a language other than English.

Data Validation Phase

Task 5: Participate in the Data Validation Phase

Review the Management Indicator Feedback Report



The Data Validation Phase is a *two-week window of opportunity* for companies to review their **Management Indicator Feedback Report** and validate the data that Sustainalytics has assessed to update a company's ESG Risk Rating.

See general guidance on [Data Validation here](#).

What is the Feedback Report?

The **Management Indicator Feedback Report** is a draft report. Sustainalytics research analysts have scored a company's management performance indicators and added a preliminary assessment. The Management Indicator Feedback Report depicts the results of the preliminary assessment conducted by our research analysts. The results focus exclusively on management performance indicators and do NOT include weights or exposure at this point in the assessment. Following the Data Validation phase, score changes will be reflected in the full update of the ESG Risk Rating report.

Where do you access the Feedback Report?

In the Issuer Gateway, download the Feedback Report (PDF) and accompanying Response Template (Excel):

- Go to Research tab. See Documents section.
- Go to Downloads: Access the Feedback Report and Response Template.

To validate the data, follow the instructions outlined in the Management Indicator Response Template.

Please note, Morningstar Sustainalytics cannot share the future weights, weighted scores of management indicators, or the impact of the updated management indicator scores on overall MEI scores until the final (updated) rating is officially posted.

Task 5: Participate in the Data Validation Phase

Use the Management Indicator Response Template

How to submit comments:
Identify documents and enter your comments here.

Company Name: Company		✓ Company Name.	PLEASE SUBMIT THIS EXCEL DOCUMENT IN THIS EXACT FORMAT VIA EMAIL TO: issuer.relations@morningstar.com			
Review Date: 05/May/2024		✓ Review Date	DO NOT SEND RESPONSE TEMPLATE VIA DOCUMENT UPLOAD.			
Subindustry: Automobiles		✓ Clear to identify a new subindustry.				
Indicator Code	Indicator Name	Tick Box Criterion	Management Indicator Description	Management Indicator Details	To be completed by Company. If a cell is grey, please continue down and leave your comments on the relevant tick box criteria.	
					Additional New Documents	Company Comment
E.1.1	Environmental Policy		This indicator assesses a company's commitment to manage its operations with a view to prevent, reduce or mitigate any harmful effects on the environment and natural resources.	The indicator assesses a company's commitments to protect the environment. The highest weighting is given for commitments to follow a precautionary approach to environmental issues, create environmental awareness, implement an environmental management system, and reduce the use of natural resources, waste, emissions and releases. Additionally, lower weighting is attributed for committing to monitor and report on environmental Key Performance Indicators and consult with external stakeholders on environmental issues.		
E.1.1	Environmental Policy	Approved by senior management or the board of directors				
E.1.1	Environmental Policy	Commitment to consult with stakeholders on environmental issues				
E.1.1	Environmental Policy	Commitment to create environmental awareness				
E.1.1	Environmental Policy	Commitment to environmental protection				

Task 5: Participate in the Data Validation Phase

Important Reminders



Deadline. Sustainalytics posts the Management Indicator Feedback Report on the Issuer Gateway portal, where companies can download it.

From the time we post the report, your company has a **two-week period** to review the Feedback Report and validate the data using the Response Template.



Documentation. For guidance on what to consider when providing supporting evidence for your company’s assessment, refer to the document guidance in the [Information Center](#).

Published Rating and Post-Update Period

Access Updated Rating Via Issuer Gateway



- Once we complete our final quality check, Sustainalytics will make the rating available to our clients in the Institutional Investment community. [Learn more here.](#)
- Separately, we will post the rating on the [Issuer Gateway](#), our portal for companies to access the research. We will send an email notification when we have posted the update.
- Sustainalytics also posts a summary of each rating (public companies) on the [corporate website](#).

Questions & Issues in the Post-Full Update Period



- Morningstar Sustainalytics encourages issuers to review their ESG Risk Rating immediately after the full update has been completed and posted on the Issuer Gateway portal. (We will send an email notification when the update has been posted).
- **Additional Questions:** If a company has questions about the rating or our research, contact the [Issuer Relations Team](#).
- **Updates Based on New Documentation.** After the rating is posted, if a company has any updates based on *new documentation*, contact the [Issuer Relations Team](#). We will review/process these details at our discretion.
- **Corrections of Previously Reviewed Documents.** If a company flags corrections that involve *previously reviewed documents*, we will update these details promptly.

Information Center Resources

Information Center Resources

Check frequently for updates

<u>Information Center Home Page</u>
<u>ESG Risk Rating FAQ</u>
<u>ESG Risk Rating Methodology Abstract</u>
<u>Guidance on Reviewing and Validating Data</u>
<u>See a List of Common Documents by Industry</u>
<u>Industry Classification</u>
<u>Indicator Library</u>
<u>An Overview of Material ESG Issues</u>

About Morningstar Sustainalytics

Learn more at www.sustainalytics.com or email at contact@sustainalytics.com

Morningstar Sustainalytics is a leading ESG research, ratings, and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Morningstar Sustainalytics works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The firm also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices, and capital projects. With 17 offices globally, Morningstar Sustainalytics has more than 1,800 staff members, including more than 800 analysts with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.



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