

JAPAN CODE OF CONDUCT – ALIGNMENT STATEMENT

Morningstar Sustainalytics is a leading global provider of ESG research and ratings, and its core business is producing research and ESG-related risk assessments across 20,000 companies worldwide. Morningstar Sustainalytics provides a variety of securities-level ESG-focused research and ratings to institutional investors, primarily asset managers, asset owners, other financial market participants, but also directly to corporate clients.

Morningstar Sustainalytics typically services relevant markets, including Japan, via local entities and affiliates. We welcome the efforts, led by IOSCO and regulators in different jurisdictions, including the Financial Services Agency (FSA), to promote the transparency and quality of ESG ratings. We believe the current FSA Code of Conduct provides a meaningful framework for ESG rating providers servicing the Japanese clients to demonstrate their respective measures designed to promote transparency, quality and independence of ESG ratings, adequacy of resources, management of conflicts of interest, confidentiality, and engagement with research targets. The above-mentioned pillars, are further outlined below, reflecting our approach to alignment in principle with the FSA Code of Conduct with respect to our ESG Risk Ratings offering in Japan.

Transparency

Our relevant methodology is designed to be responsive to the principles contemplated in the FSA Code of Conduct.

In line with FSA Code of Conduct transparency principle, we maintain a dedicated website section, where relevant information regarding our ESG Risk Rating is made available, including a description of the relevant methodology.

Quality

We maintain processes designed to determine our ESG Risk Ratings based on sufficient and relevant information, either publicly available, collected from the relevant content providers, or collected from the research targets, in line with the applicable methodology. Also, we maintain processes designed to produce ESG Risk Ratings that are independent, consistent, and of quality.

Sources of Data

Generally, we use publicly available or disclosable information to inform our ESG Risk Ratings.

Resources

We strive to attract, retain, and develop the relevant human resources to determine our ESG Risk Ratings, and we place emphasis on the selection and training of our personnel to maintain the quality of our ESG Risk Ratings. Additionally, we strive to employ the necessary systems designed to enable the performance of our activities.

Independence and Management of Conflicts of Interests

We maintain conflict management policies, protocols, and organizational and technical measures designed to manage conflicts of interest that may impair the independence of our ESG Risk Ratings.

Research personnel compensation is not directly tied to specific commercial or research outcomes.

Engagement with Research Targets

We deploy measures designed to facilitate the equal treatment of clients, prospects, and research targets. Research processes are designed to be applied consistently, in line with the relevant methodologies, regardless of whether the research target is also a client. Where and if applicable, we provide research targets with relevant information regarding the data collection process timelines.

If and where applicable, we welcome factual feedback from research targets and strive to correct factual errors in the deliverables in line with the methodology.

For more information, contact: JapanCoCinquiries@sustainalytics.com