

Firm Diversity Data

Submitting Diversity, Equity & Inclusion Data to Morningstar



The demand for transparency around workforce diversity and other environmental, social, and governance (ESG) considerations are on the rise. Investors see diversity as an opportunity—they see firms with diverse ownership as better long-term investments. They want to understand firm diversity policies and practices to get an edge on who is going to outperform on talent. And they want to see who firms are doing business with because that makes for a stronger business ecosystem.

Join us on this journey to bring transparency to this area of the investing world. Investor preferences and regulatory changes will increasingly demand diversity data so market players can understand and navigate sustainable investing. Therefore, making that data public is not only a commitment to improving transparency but to putting investors first.

Benefits of Submitting DEI data to Morningstar

Reduce redundancies and inefficiencies for your team. Having a reliable, centralized, and standardized repository of diversity data will reduce the reporting burden for asset managers and other service providers, as well as reduce collection costs for investors, wealth managers, and consultants.

Having this centralized data set will also support future analytics, marketing, tool making, and compliance work. It will support:

- ▶ platforms seeking to build assurance tools for interested end investors
- ▶ help advise a vetting process for those interested in screening investments through the lens of diversity and inclusion
- ▶ allow firms to examine the connection between diversity and their own performance
- ▶ empower firms to assess their supply chain
- ▶ help firms respond to anticipated regulatory scrutiny
- ▶ assist firms as they attempt to market themselves given shifting cultural trends

Institutional investors have already adopted the practice of using diversity data to inform investment decision-making. Therefore, asset managers who choose to disclose their diversity data to Morningstar are acting as leaders in transparency by meeting investor demands.

Morningstar's Institutional Data Manager (IDM)

IDM is a free, web-based interface for reporting data. In the case of diversity data, we are collecting firm-level data specific to the firm itself, and not a specific investment or strategy.

Morningstar's internal databases are linked directly to IDM and the raw data automatically flows through Morningstar's products with Quality Assurance check points along the way. All data submitted through IDM is made available in Morningstar DirectSM. IDM improves asset managers' reporting experience and efficiency.

With IDM, firms increase control of their data. The data-collection template is standardized, and users can review and edit the data as they submit it, improving accuracy. IDM's processes are designed with extensive user feedback, including usability testing, user interviews, and surveys.

On the following page, we outline the new data you can now report for your firm.

Data Collected for New DEI Submissions

Firm Ownership Diversity

Firm Ownership by Employees

Firm Ownership by Women

Firm Ownership by Person(s) with a Disability

Firm Ownership by Race and Ethnicity

Board & Workforce Demographics

Number of Board Members by Race and Ethnicity, Gender, and Person(s) with a Disability

Firm Employee Composition by Role, Race and Ethnicity, Gender, and Person(s) with a Disability

Diversity, Equity and Inclusion (DEI) Policies & Practices

Diversity, Equity and Inclusion Policy

Employee Code of Conduct and Procedures

Talent Acquisition & Retention

Inclusive Workplace Practices

Investment selection criteria

Certification as a Minority-, Women-, or Person(s) with a Disability-owned Business Enterprise (MWDBE)

Firm Utilization of Diverse Service Providers

Contracts and Expenses with Service Providers based on Ownership Diversity

Contracts and Expenses with Service Providers based on Workforce Diversity

Examples of DEI Data Points

- ▶ Percent of the Firm Owned by Women
- ▶ Number of Portfolio Managers at the Firm that are Hispanic or Latina Women
- ▶ Firm Actions to Promote Equitable Hiring Practices
- ▶ Annual Contract Expense with Service Providers that are Minority-Owned Businesses

Delivery & Distribution

Asset management firms can utilize idm.morningstar.com to submit their DEI data. This is a complimentary service provided by Morningstar.

Firms can also report any additional data on the firm and firm's strategies through the IDM site. Please contact your Success Representative or idm@morningstar.com for more information.