



## News Release

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### FOR IMMEDIATE RELEASE

#### **Morningstar to Launch First Environmental, Social, and Governance (ESG) Scores for Funds Globally**

*Sustainalytics to provide company-level ESG research; Julius Baer to license scores for fund research team*

CHICAGO, Aug. 13, 2015—Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research, today announced plans to launch the industry's first environmental, social, and governance (ESG) scores for global mutual and exchange-traded funds later this year. Morningstar will base the scores on ESG company ratings from Sustainalytics, a leading provider of ESG and corporate governance ratings and research. Swiss private banking group Julius Baer will be the first Morningstar client to license the ESG scores for its fund research team.

"One of Morningstar's core values is 'investors first.' As part of our mission of helping investors reach their financial goals, we have a long tradition of innovative research centered on good stewardship, lower costs, and more transparency for investors," Jon Hale, Morningstar's director of manager research, North America, said. "Providing fund scores on environmental, social, and governance factors is a natural extension of our work. We want to bring even greater transparency and accountability to the investment industry with ESG research, data, and tools, while helping investors to put their money to work in ways that are meaningful to them."

Investors and the financial services industry are placing increasing importance on ESG policies and practices. In a study released in February, the Morgan Stanley Institute for Sustainable Investing found that 71 percent of individual investors are interested in sustainable investing. In addition, just in the past year, there was a 29 percent increase in the number of financial institutions that signed the United Nations-

supported Principles for Responsible Investment (PRI) Initiative. Today, more than 1,300 firms, managing in excess of \$59 trillion, have joined this global network of investors working to promote responsible investment.

Sustainalytics has provided ESG research and analysis for more than 20 years. The company has a global reach with 230 employees, including 120 analysts who have geographic and sector expertise. The analysts focus on the relevant ESG issues within industries and across markets, assigning each company under coverage approximately 70 indicator-level scores related to environmental impact, social practices, and governance policies and procedures.

Morningstar tracks the holdings of more than 200,000 global managed products, and Sustainalytics provides ESG ratings on more than 4,500 companies. Using its comprehensive portfolio holdings data, Morningstar will create asset-weighted composite ESG fund scores based on company-level Sustainalytics ESG ratings. For the first time, investors will be able to compare funds across categories, relative to benchmarks, and over time using ESG factors. They will also be able to drill down to see scores for each of the three—Environmental, Social, and Governance—pillars. Morningstar expects to launch the fund-level ESG scores in the fourth quarter of 2015 and through Morningstar Data feeds and its major software platforms in 2016.

“ESG considerations, once viewed from the sidelines, are increasingly front and center for fund investors,” Michael Jantzi, chief executive officer of Sustainalytics, said. “We applaud Morningstar for its innovation and look forward to working together to create a new standard for fund benchmarking.”

### **About Morningstar, Inc.**

Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia, and Asia. The company offers an extensive line of products and services for individual investors, financial advisors, asset managers, and retirement plan providers and sponsors. Morningstar provides data on more than 500,000 investment offerings, including stocks, mutual funds, and similar vehicles, along with real-time global market data on more than 16 million equities, indexes, futures, options, commodities, and precious metals, in addition to foreign exchange and Treasury markets. Morningstar also offers investment management services through its investment advisory subsidiaries, with more than \$180 billion in assets under advisement and management as of June 30, 2015. The company has operations in 27 countries.

### **About Sustainalytics**

Headquartered in Amsterdam, Sustainalytics is an independent ESG and corporate governance research, ratings, and analysis firm supporting investors around the world with the development and implementation

of responsible investment strategies. With 13 offices globally, Sustainalytics partners with institutional investors who integrate environmental, social, and governance information and assessments into their investment processes. Today, the firm has 230 staff members, including more than 120 analysts with varied multidisciplinary expertise across more than 40 sectors. For the past three years, Sustainalytics has been named the best independent responsible investment research firm in Extel's IRR! survey of institutional investors. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).

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