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United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

October 31, 2022

Mr. Patrick Maloney
General Counsel
Morningstar, Inc.
22 West Washington Street
Chicago, Illinois 60602

Re: *Record and Document Preservation*

Dear Mr. Maloney:

I write to follow up on my September 20, 2022 letter regarding Sustainalytics's practices related to assigning environmental, social, and governance (ESG) ratings, including scores, to companies. To date, you have failed to provide a complete response¹ to that letter, which requested answers to 17 questions regarding your firm's ESG practices and copies of any non-proprietary methodologies used by your firm to produce ESG ratings, including scores, for companies.

The use of ESG factors in capital allocation has become an issue of increasing bipartisan interest to Congress and regulators. For example, the Securities and Exchange Commission in May released a proposed update² to its Investment Company Names rule designed to address greenwashing, meaning the practice of making an investment appear more environmentally friendly than it really is. Firms like Sustainalytics play a key role in the sustainable finance industry by providing third-party data and ratings on companies to investors. However, legitimate bipartisan concerns have also been raised regarding the veracity of third-party data, the opacity of rating methodologies, the processes by which ratings firms engage with rated entities, and the management of conflicts of interest.

Given the above concerns and increased bipartisan interest in conducting oversight of the ESG industry, it is crucial that your firm provide the information I requested on September 20. In addition, please preserve all documents, communications, and other information, including

¹ Staff review of your response dated October 24, 2022 found that Sustainalytics failed to respond to questions 3, 4, 6, 8, 9, 10, 11, 15, and 17.

² Investment Company Names, 87 FR 36594 (Jun. 17, 2022).

electronic information and metadata, that is or may be potentially responsive to my September 20 information request.³

In the future, I strongly advise your firm to be more responsive to information requests from Congress, particularly the committees with oversight of your industry.

Sincerely,



Pat Toomey
Ranking Member

Cc:

The Honorable Patrick McHenry, Ranking Member, House Committee on Financial Services

The Honorable James Comer, Ranking Member, House Committee on Oversight and Reform

The Honorable Cathy McMorris Rodgers, Ranking Member, House Committee on Energy and Commerce

The Honorable Rob Portman, Ranking Member, Senate Committee on Homeland Security and Governmental Affairs

³ For purposes of this request, “preserve” means securing and maintaining the integrity of all relevant documents, communications, and other information, including electronic information and metadata, by taking reasonable steps to prevent the partial or full destruction, alteration, testing, deletion, shredding, incineration, wiping, relocation, migration, theft, mutation, or negligent or reckless handling that could render the information incomplete or inaccessible. This request extends to any documents, communications, or other information related to my request for information dated September 20, 2022, including, but not limited to, any internal discussions of how your firm intended to respond or not respond to that request.