Moody’s Commitment to Corporate Social Responsibility

As a global company active in financial markets around the world, we believe that Moody's Corporation has a responsibility to both our stakeholders and to the communities where we work and live. Our commitment to Corporate Social Responsibility is ingrained in our culture and we recognize that our company grows stronger by helping to advance local communities, business practices and individual lives around the world. Our social investment is wide-reaching and includes:

» Valuing Our People
» Advancing Diversity
» Developing Our Global Community
» Contributing to Economic Development
» Managing Our Business
» Caring for the Environment
» Respecting Human Rights

Valuing Our People

We value our employees, respecting them as individuals and seeking to provide them with meaningful growth and development opportunities. Our mission and values guide our business priorities and the way we work together to achieve those goals. Our values of integrity, insight, intellectual leadership, inclusion and independence form the foundation of a culture of professionalism and respect for people and ideas.

Our comprehensive benefits\(^1\) include healthcare, insurance, disability and retirement. Many of our benefits are available to employees’ dependents, including spouses, children and same-sex and opposite-sex partners. In addition, we offer a suite of additional services to further support employees and help them balance their work and personal lives. These include the Employee Assistance Program, adoption assistance, educational assistance, back-up child and elder care and a workplace flexibility program that enables eligible employees to structure an alternative work arrangement, including telecommuting, part-time working agreements and job sharing.

We provide a variety of internal and external training and development opportunities for people at all levels and roles within the company.

We also offer employees the opportunity to participate in Employee Resource Groups, including a Lesbian, Gay, Bisexual, Transgender and Allies Employee Resource Group, a Multicultural Employee Resource Group, a Veterans Employee Resource Group and a Women's Employee Resource Group, which provide educational and networking opportunities to all employees throughout the year.

Our volunteer programs enable employees to take on project management responsibilities while coordinating employee participation in activities and events aimed at supporting our communities and nonprofit partners.

\(^1\) Benefits vary by location.
Importantly, we value what our employees have to say and provide a number of formal and informal mechanisms for listening to their feedback. Collectively, their input drives our ongoing efforts to provide a rewarding experience and work environment.

Advancing Diversity
Moody’s ability to attract, develop and retain outstanding talent from every population is vital to our success. That is why Moody’s and our leadership team have emphasized our commitment to Diversity & Inclusion. We believe that a diverse workforce contributes to the quality of our opinions, products and services. We approach Diversity & Inclusion as a powerful employee engagement initiative that is aligned with our business strategies globally.

Moody’s Diversity Council, chaired by President and CEO, Raymond McDaniel, comprises senior leaders from across the company who set the direction for Moody’s Diversity & Inclusion strategy. To achieve our goals, the Council focuses on three strategic priorities – understanding diversity and inclusion, creating a great employee experience and measuring our ongoing progress.

Moody’s Office of Diversity & Inclusion has supported significant progress including:
» Developing and implementing Workplace Flexibility
» Broadening Diversity & Inclusion education programs
» Championing and expanding Moody’s Employee Resource Groups
» Establishing the Women in Leadership and African-American Development programs
» Expanding our global partnerships

Developing Our Global Community
The Moody’s Foundation, the philanthropic arm of Moody’s Corporation, works to advance social change through a number of educational, financial, humanitarian, civic and health-related initiatives. With a core focus on education, The Moody’s Foundation creates opportunities to engage students in mathematics, economics and finance. The Moody’s Foundation builds on the strengths of Moody’s core values, employees and businesses to drive improvements to communities throughout the world. In 2014, The Moody’s Foundation provided over $5 million in grants to nearly 80 institutions in the United States, United Kingdom, São Paolo, and Hong Kong.

Each year, The Moody’s Foundation also funds a number of educational competitions and scholarship programs to promote academic excellence. Our primary programs include:
» Moody’s Mega Math Challenge
  Conducted by the Society for Industrial and Applied Mathematics (SIAM), teams of three to five students have 14 hours to solve an applied mathematics problem in this Internet-based competition. In 2015, 1,227 teams compromising of 5,553 students competed for $125,000 in scholarships provided by The Moody’s Foundation.

» The Euro Challenge
  This challenge, conducted by the Delegation of the European Union (EU) to the United States in Washington, D.C. and the Federal Reserve Bank of New York, is aimed at increasing high school students’ understanding of the EU and the economic challenges facing its member states. In 2015, five teams, selected for their presentations on proposed solutions to specific economic challenges, were awarded nearly $20,000 in scholarships funded by The Moody’s Foundation.

At Moody’s, employees’ skills, energy, talent and leadership are critical components of our community outreach efforts. In 2015, employees donated 14,220 hours to over 116 nonprofit partners in 33 cities and 22 countries. We support a number of volunteer and employee-driven philanthropic initiatives, including:
» Dollars for Doers
  If an employee volunteers at least 40 hours a year at an eligible nonprofit, The Moody’s Foundation will make a $500 donation to the organization on behalf of the employee. In 2015, we donated $9,000 to nonprofits supported by our employees.
Matching Gift
Moody’s Matching Gift program provides a dollar-for-dollar match of the tax-deductible portion of individual gifts made by Moody’s employees to approved eligible organizations that are tax-exempt, nonprofit or government programs. In 2015, we donated $670,184 to nonprofits supported by our employees.

Disaster Relief
Building on the humanitarian focus of many of our volunteer activities, The Moody’s Foundation is committed to helping local communities throughout the world in times of crisis. In addition to employee donations that are matched through our Matching Gift program. The Moody’s Foundation partners with Team Rubicon, an international disaster relief organization that unites skilled and experienced military veterans with first responders to deploy emergency response teams. Team Rubicon funds ongoing deployment, travel, food/shelter and support to disaster areas while providing veterans with three things they may lose after leaving the military:

- A purpose, gained through disaster relief
- Community, built by serving with others
- Self-worth, from recognizing the impact one individual can make

Additionally, we periodically make one-time donations during global crises, such as our $20,000 contribution to Give2Asia to support relief efforts after the earthquake in Nepal in 2015.

Employee Volunteering

DONE IN A DAY
Employees have two opportunities a year to participate in meaningful community service activities.

The Moody’s Foundation runs two seasonal programs—Moody’s TeamUp™ and Extra Measure—that make it easy for employees to participate in meaningful community service both with their own work groups and with colleagues from across the company.

- **Moody’s TeamUp™** runs from April through June and combines team-building with service. Work groups spend half a day in their local communities providing extra hands to nonprofits in need. In 2015, Moody’s employees participated in a wide range of volunteer activities. Helping developmentally disabled children make handicrafts, sorting food donations at a food bank, cleaning up parks and beaches and volunteering at a soup kitchen were just a few of the multitude of Moody’s TeamUp™ projects.

- Each September and October, Moody’s Extra Measure gives employees the chance to take part in a project that is personally meaningful. These projects draw employees from different business units and work groups, giving participants the chance to meet colleagues they would normally not encounter in their regular workday. Extra Measure projects allow the company to offer volunteers to nonprofits that cannot accommodate a larger work group during TeamUp™, ultimately enabling the company to serve more nonprofits.

SHOW WHAT YOU KNOW
Skills-based activities allow employees, as a team or individually, to lend their professional skills to a nonprofit.

Nonprofits need more than extra hands and Moody’s employees have a lot more to give. Show What You Know is all about employees using their professional skills, as a team or individually, to advance the mission of a nonprofit.

Skills-based activities allow employees to lend their professional skills to a nonprofit. Show What You Know programs include Moody’s Interview University, career days and job shadowing opportunities, mentoring programs for students in New York and London, and service on nonprofit boards.

BE A LEADER
Employees take the lead in planning or creating community service activities with nonprofits of their choice.

Employees who want to get more involved in supporting community service at Moody’s are encouraged to take advantage of Up2You and the Corporate Social Responsibility Council.

UP2YOU
Like the name suggests, Up2You allows Moody’s employees to design and run volunteer projects of their own creation. Up2You projects include service sponsored by one of Moody’s Employee Resource Groups and fundraising walks and runs, like AIDS Walk New York and San Francisco and the Pride Run in London.
CORPORATE SOCIAL RESPONSIBILITY COUNCIL

Employees can get more involved with organizing the company’s volunteer activities by serving on the 70-member Corporate Social Responsibility Council (CSRC).

Interested employees apply for a two-year term on the CSRC. Once selected, they are the CSR team’s hands in the field, researching local nonprofits in need and coordinating TeamUp™ projects. The CSRC meets quarterly to discuss local projects and share successes and challenges.

COMPANY-SPONSORED GLOBAL AND LOCAL ACTIVITIES

Global initiatives that engage all Moody’s offices as well as small, local initiatives important to individual communities.

Globally, employees participate in food, coat and other donation drives, as well as holiday gift giving programs and virtual volunteer fairs.

Even Moody’s customers get involved. Moody’s Makes a Difference is a program in which employees and customers work side-by-side in a community service activity. For example, attendees at Moody’s Analytics 2014 Risk Practitioners Conference assembled care packages for local homeless children in shelters. The packages included a book, a stuffed animal, a blanket and a handwritten note.

Managing Our Business

Moody’s believes in conducting our business with the highest standards of integrity. Our corporate mission clearly defines our commitment to serve global financial markets as a leading authority on credit. Our values of integrity, insight, intellectual leadership, inclusion and independence provide a behavioral framework to guide our employees in achieving that goal. Together, our mission and values establish the foundation for how we conduct our business and develop our employees.

Responsible corporate governance requires a board of directors who represent a diverse set of skills and expertise needed to guide the company. Moody’s nine-person Board of Directors has a variety of occupational and personal backgrounds and the members bring a range of viewpoints and perspectives to each meeting. Moody’s has three standing board committees:

» **Audit**: responsible for overseeing the company’s financial reporting, audit process and compliance with legal and regulatory requirements. Only independent directors may serve on this committee.

» **Governance and Compensation**: responsible for shaping the company’s corporate governance, identifying and recommending nominees for the board and overseeing executive compensation. Only independent directors may serve on this committee.

» **Executive**: The Executive Committee’s primary purpose is to exercise the authority and powers of the board of directors between meetings of the board. Dr. Henry A. McKinnell, Jr. serves as Chairman of the Board. Raymond W. McDaniel, Jr., the only executive member of the Board, serves as President and Chief Executive Officer of Moody’s Corporation. Our Code of Business Conduct, which each employee must certify adherence to on a periodic basis, sets forth the guiding principles that we expect each employee and corporate director to follow in order to preserve the integrity of our business. The Code of Business Conduct also provides mechanisms for reporting suspected legal or ethical violations or other business-related concerns, including our Integrity Hotline which is available to all Moody’s employees.

Providing employees with feedback on their performance and opportunities to grow and develop their careers is essential to the success of our business. We have a formal performance management program in place. In addition, managers are encouraged to maintain an ongoing dialogue with their employees to guide their performance and development throughout the year.

Moody’s remains committed to operational efficiency as well as investing in our employees and in the future of our company. Full-year 2014 generated a revenue of $3.5 billion and net income of $941.3 million. Full details of our financials can be found in our 2015 Annual Report and 10-K and in our quarterly earnings releases, all of which comply with U.S. Generally Accepted Accounting Principles (GAAP) and are available at http://ir.moodys.com.

Caring for the Environment

Moody’s Corporation is committed to doing our part to protect and care for the environments in which we live and work, including compliance with the letter and spirit of all relevant environmental legislation. The environmental policy is available for public review and is communicated to employees to increase their awareness of environmental concerns and to further encourage them to minimize the impact they have on the environment.

2 See more in our CSR Report at www.moodys.com/csr
Our commitment is demonstrated by the continuous development and implementation of practical and effective corporate policies and programs that support the more efficient use of natural resources and reduce the impact of our businesses on the environment. Some of our practices include:

» **Site Selection, Design and Construction**

Several environmental impact considerations guide our process for selecting and designing our physical office locations, including: availability of public transportation; LEED certification (or local equivalent); and use of energy efficient, recycled and sustainable materials, fixtures and control systems.

» **Facilities Management**

We follow a number of processes to minimize the environmental impact associated with maintaining our facilities. For example, we comply with local and landlord-driven recycling programs, recycle kitchen grease and compost wet trash in food service locations. We use eco-friendly cleaning products and maintain our equipment and infrastructure to ensure ongoing efficiency. In 2015, our New York headquarters donated 9,513 pounds of food to City Harvest, composted 8.3 tons of waste and recycled 475 tons of paper, and 5.6 tons of glass, metals and plastics.

» **Procurement Practices**

Our procurement decisions are guided by environmental factors, including purchasing energy efficient products, encouraging the use of products made from recycled materials and including environmental impact in our evaluation of procurement alternatives for services, manufacturing, travel and other products. This year, Moody’s saved 5,080 trees, 2+ million gallons of water, 25,116 gallons of oil, 112,000 pounds of wood resources, 509 million BTU and 1.2 million kilowatt hours of electricity.

**Respecting Human Rights**

At Moody’s Corporation, integrity is one of our core values, holding us to the highest standards of honesty, transparency and fairness in our dealings with each other, with customers and with all market participants. With this as our foundation, our Code of Business Conduct clearly defines the behaviors we expect from all of our employees in their daily business activities and interactions with each other.

Our principles of honesty, integrity and transparency extend to all aspects of our business — where our offices are located, suppliers we do business with and how we respect and support our employees. Our internal privacy guidelines are designed to protect and maintain the confidentiality of employees’ personally identifiable information.