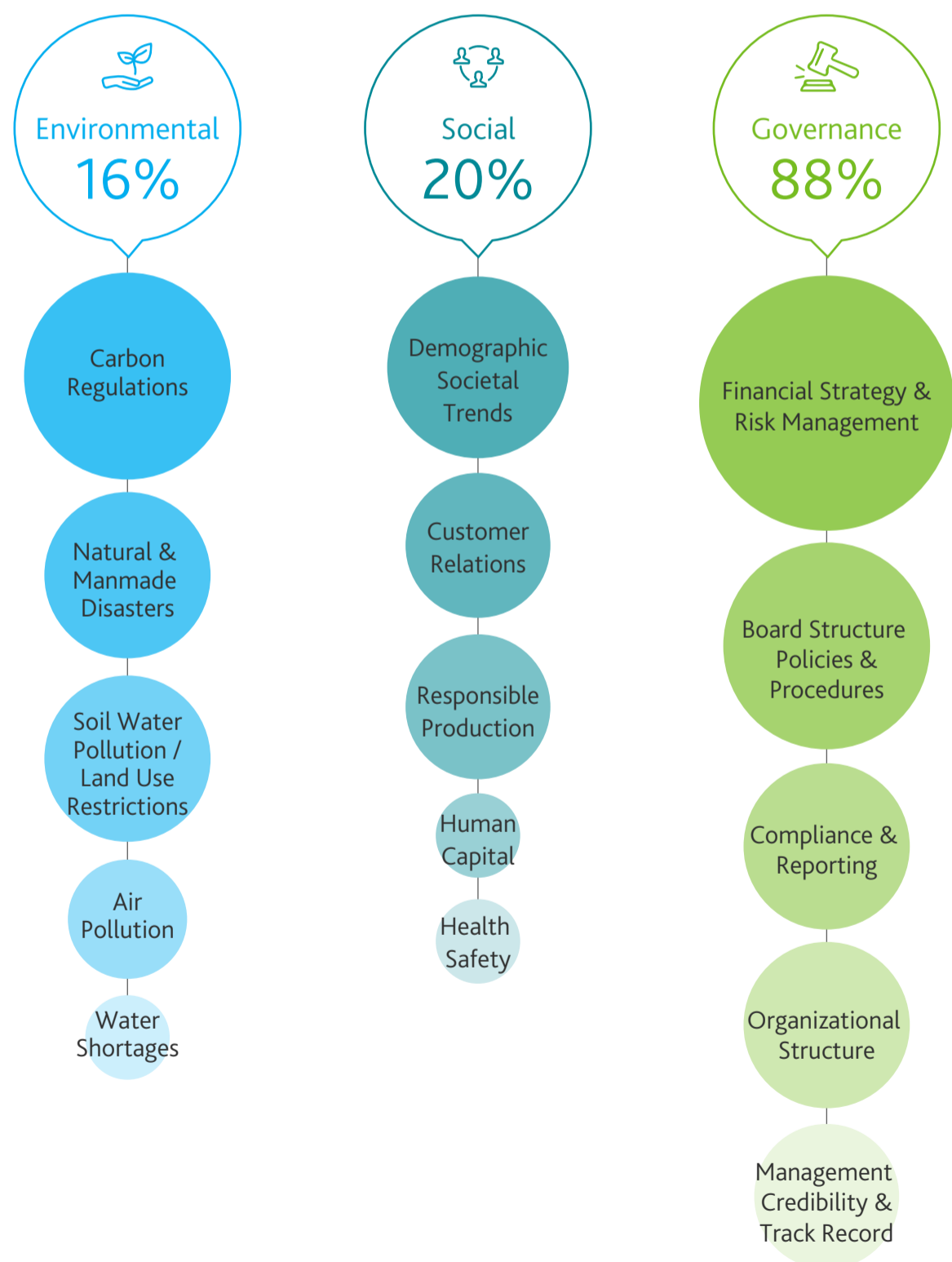


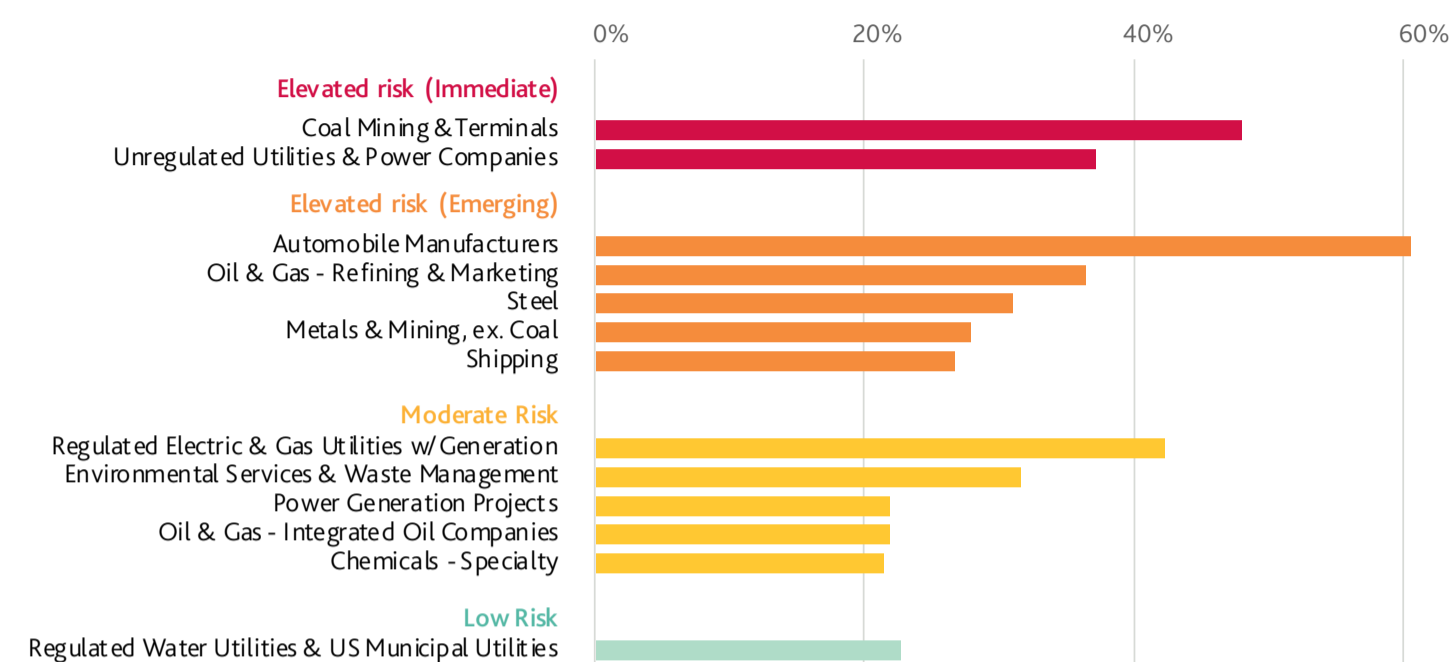
# ESG factors frequently cited as material credit considerations in 2019 private-sector rating actions

Of the 7,637 rating actions that we published last year for private-sector issuers, 2,521, or 33%, contained references to material ESG considerations, underscoring the significance of these considerations in our credit analysis. We expect that the materiality of ESG considerations will continue to increase.

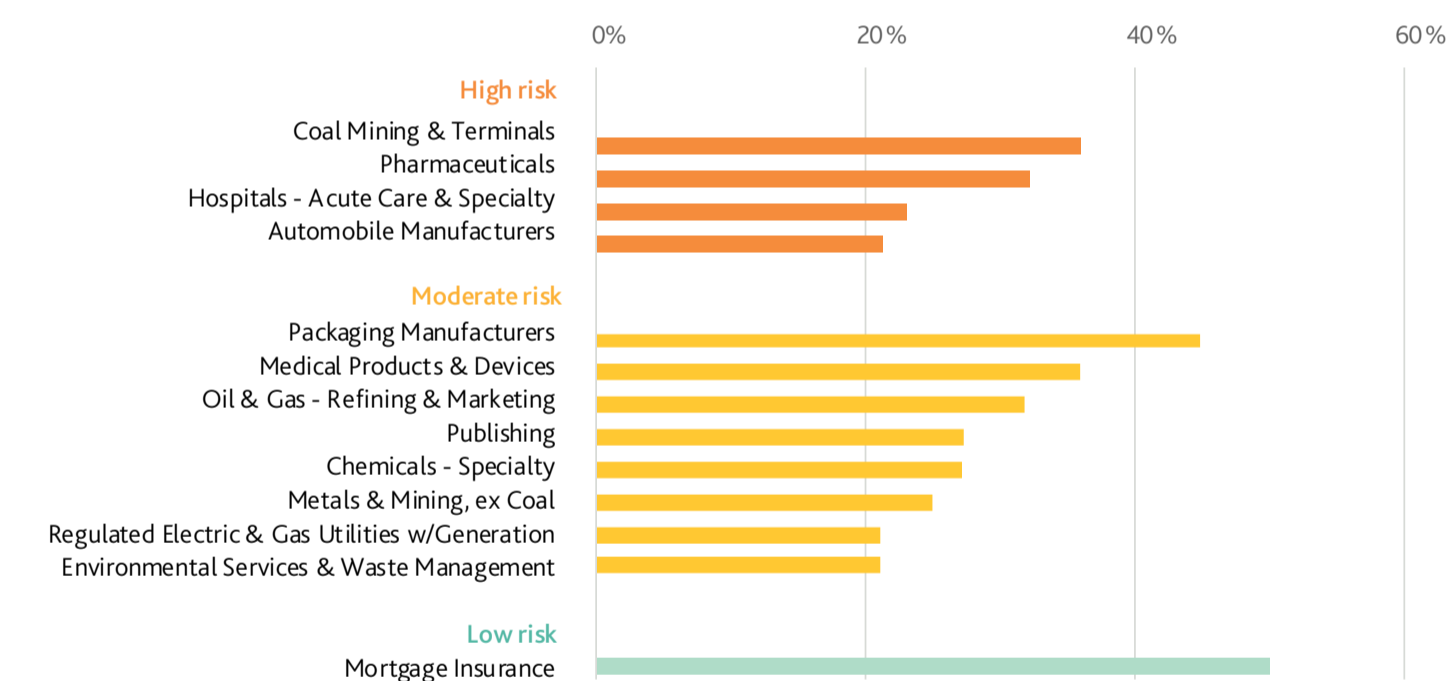
Of the rating actions that cited ESG considerations, 88% included references to governance issues, 20% referred to social issues and 16% cited environmental issues, with many containing references to more than one ESG consideration.



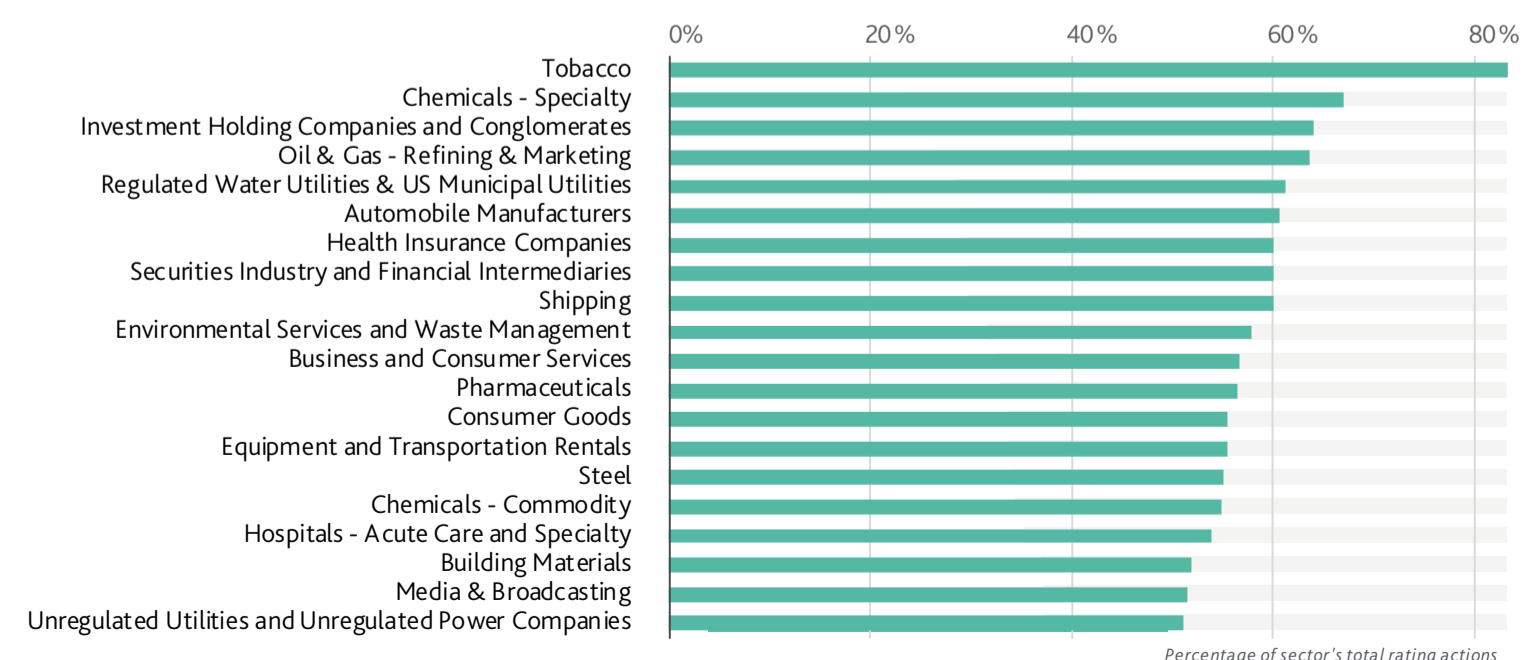
**Environmental considerations:**  
Strong correlation between "elevated risk" heat map scores and language in rating actions in 2019



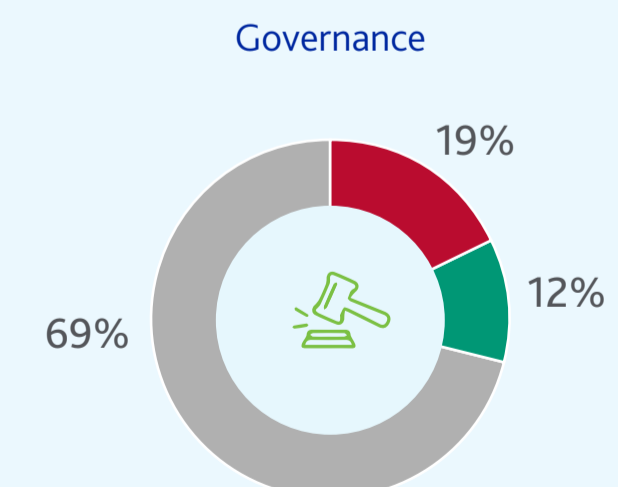
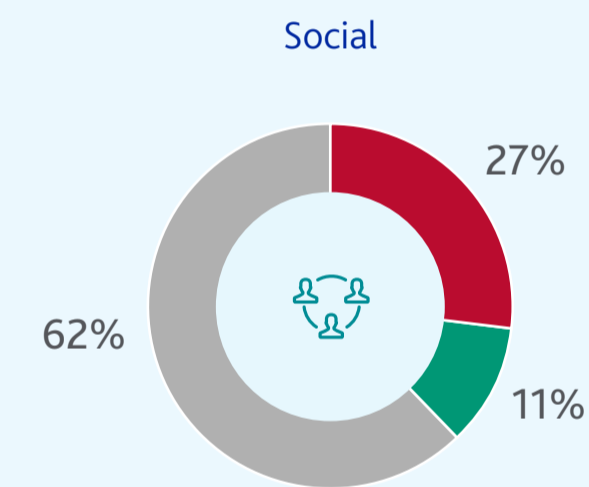
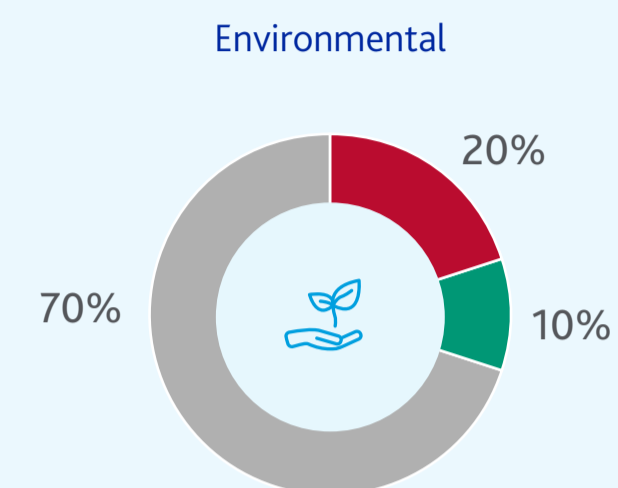
**Social considerations:**  
Frequently cited in rating actions across a wide range of sectors



**Governance considerations:**  
Mentioned in more than half of the rating actions in 20 sectors



Rating directionality of Moody's 2019 private-sector rating actions that cited ESG considerations



⊕ Positive  
⊖ Neutral  
⊖ Negative