



# MOODY'S

## Modern Slavery Act Statement 2021

Moody's recognises that modern slavery and human trafficking is a global problem, and this statement sets out the steps taken in seeking to prevent it from taking place in any part of our business or supply chains.

This Modern Slavery and Human Trafficking statement is made in accordance with the Modern Slavery Act 2015 on behalf of Moody's



## Our structure, business and supply chain

Moody's is a global integrated risk assessment firm that empowers organisations to make better decisions. Our data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others. We believe that greater transparency, more informed decisions, and fair access to information open the door to shared progress. With over 11,000 employees in more than 40 countries, Moody's combines international presence with local expertise and over a century of experience in financial markets.

Moody's employees proudly uphold the company's worldwide reputation for high standards of business conduct. An essential aspect of Moody's success is our collective commitment to operating in a principled manner. We are united

by a determination to act with integrity and make a positive impact on the global economy and in our local communities.

This statement is as of 30 June 2021 and covers the prior 12-month period. It is made on behalf of Moody's Group (Holdings) Unlimited, Moody's International (UK) Limited, Moody's Group UK Limited, Moody's Holdings Limited, Moody's Shared Services UK Limited, Moody's Analytics UK Limited, Moody's Investors Service Limited and Bureau Van Dijk Electronic Publishing Limited, all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015.

### Workforce Profile

We have a number of entities that employ people in the UK, and some foreign branches. The majority of the employees of these companies are employed on full-time contracts. A proportion of our employees are part-time, and their terms and conditions are otherwise the same as for full-time staff. We believe

our own employees are at a low risk of suffering from modern slavery and human trafficking.

Our employees play an important role in financial markets, systems and institutions. Thus, it is important for us to create a workplace where they feel valued and inspired to bring their best. We work to foster a culture of independence, inclusion and intellectual leadership. We strive to build an environment that values collaboration and professional growth. And we work to ensure that all our people can share their perspectives and be heard. We offer competitive pay, benefits, employment conditions and policies, which are periodically benchmarked, and we have several options for flexible working arrangements that UK employees can request, such as part-time and telecommuting arrangements. We do not operate zero hours contracts. All our employees are subject to the standards in the Moody's Corporation Code of Business Conduct, set out further below.

## Stakeholder Sustainability at Moody's

We promote Stakeholder Sustainability at Moody's in order to accelerate a forward-thinking, inclusive culture for our people, communities and customers. As we move forward, Moody's will continue to embed responsible and sustainable decision-making into everything we do. We understand our responsibility to our stakeholders to be a catalyst for positive, system-wide change for better business, better lives and better solutions.

### BETTER BUSINESS

At a global level, Moody's corporate governance is structured to enable us to identify and prioritize actions that advance positive change across major social and environmental issues. In 2019, Moody's Corporation advanced its commitment to a more sustainable global financial system by joining the UN Global Compact. As part of its participation, Moody's commits to its

[Ten Principles](#), which include Principle 4: the elimination of all forms of forced and compulsory labour.

Further, Moody's Corporation published a [Human Rights Statement](#) in 2020 and made several climate commitments, as detailed in our [Decarbonization Plan](#), including the objective to reach net-zero emissions by 2050, consistent with the United Nations Global Compact Business Ambition for 1.5°C. The progress towards those commitments are reported in the Moody's Corporation [2020 TCFD report](#). We believe that environmental quality and human rights are linked. A safe and secure working environment can impact people's health and living standards, property, freedom of movement and education.

## BETTER LIVES

We are committed to treating employees with respect and dignity and protecting their human rights. Moody's offers equal opportunities and employs individuals from diverse backgrounds and experiences to foster an inclusive and equitable workplace, enhance the quality of our products and services, and empower our people to be catalysts of environmental and social change. In 2020, Moody's launched or expanded several training and development programs in the UK with the aim of promoting diversity, equity and

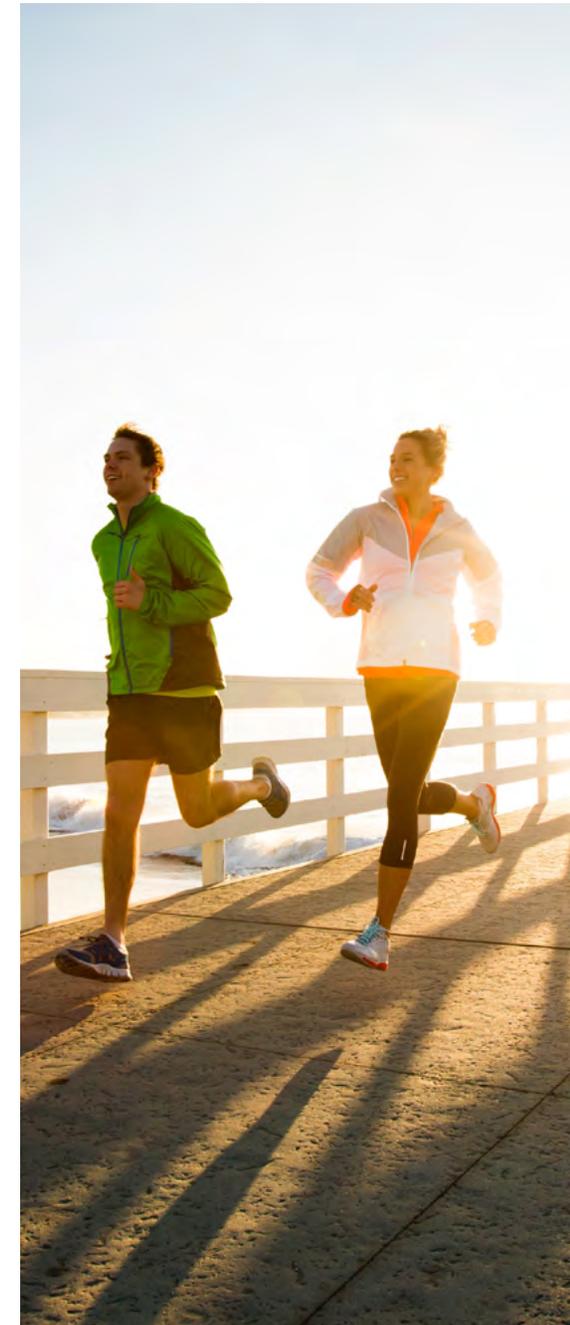
inclusion in our workplace and elevating underrepresented communities to leadership positions. This included developing and empowering these employees, providing resources to promote mental health and wellbeing, and assisting women and mothers interested in restarting their careers after a minimum 2-year career break.

Moody's extends this philosophy to the communities where we live and operate. We empower communities with financial knowledge and provide mentorship and skills for young people to build a successful career in finance, technology and economics. Moody's regularly partners with organisations on areas where we believe we can have the greatest impact and that can also help to mitigate the likelihood of individuals finding themselves in situations of modern slavery and human trafficking. In 2020, Moody's focused its community engagements on tackling educational challenges imposed by the pandemic. This included assisting underserved students in London by providing funds for laptops and other supplies, pro bono support and mentorship, and virtual work experience programs. In addition, Moody's helped small business owners, especially women, grow their businesses by offering virtual, interactive bootcamps and online training modules that focus on credit training and accessing markets and capital.

## BETTER SOLUTIONS

Moody's solutions and standards integrate environmental, social and governance (ESG) considerations and contribute to a greener economy. This provides customers with the tools and insights to mitigate risks and capitalize on the opportunities presented by the transition to an inclusive, sustainable global economy. Moody's plays a pivotal role in accelerating the transformation of markets, by providing participants with information that helps them evaluate risk and integrate ESG considerations into their capital allocation and long-term planning. In 2020, Moody's formed the ESG Solutions Group to align efforts across the firm, meeting the growing global demand for ESG and climate capabilities. Moody's continues to integrate climate risk considerations into Moody's Investors Service's credit ratings and into Moody's Analytics' risk management solutions to enable comprehensive decision making.

Learn more about Moody's [Stakeholder Sustainability](#).





## Our policies in relation to slavery and human trafficking

Moody's published Modern Slavery and Human Trafficking Statements for June 2017, 2018, 2019 and 2020 can be viewed here. In the years since our initial statement, we have continued to consider and develop our approach to modern slavery issues.

### Moody's Code of Business Conduct

We have a number of entities that employ Our commitment to operating in an ethical and lawful manner includes protecting the basic dignity and human rights of our employees and the people in our supply chain. Moody's has in place a number of codes, policies and procedures so that we run our business in a fair, ethical and lawful manner and

in compliance with applicable laws and regulations. The Moody's Corporation [Code of Business Conduct](#) (the "Code") is a statement of the fundamental principles and certain key policies that govern the conduct of our business and can be found on the Moody's website. The Code confirms that an essential aspect of Moody's success is our collective commitment to operating in an ethical and lawful manner to maintain the integrity of our business. The Code, which is reviewed and approved biannually by the Moody's Corporation Board of Directors, sets out the guiding principles we expect each employee and corporate director to follow. Every Moody's employee receives training on the Code and is periodically required to certify that he or she has reviewed the Code, understands it, and agrees to be bound by its terms. One of the key areas covered by the Code is "How we Act with Integrity in the Global Community".

### Outsourcing and Supply Chain Relationships

Moody's has rigorous policies and procedures in relation to the engagement of suppliers that assist Moody's in the conduct of its business. It has a Procurement & Sourcing Group, which is responsible for the management of our global, enterprise-wide spend on products and services. Moody's also has a Vendor Selection and Contracting Policy, which sets out the parameters that apply to our selection and retention of certain new and existing suppliers and the execution of contracts. In addition, Moody's Supplier Diversity Program makes a concerted effort to provide businesses owned by minorities, women, people with disabilities, veterans, and LGBTQ+ people with equal access to business opportunities.

### Supplier Code of Conduct

Moody's has rigorous policies and Moody's supply chain consists of reputable

companies, which includes independent consulting firms, and other service providers, in the areas of finance and technology (including the procurement of software, data and other technology-related goods and services). Our suppliers engaged in providing goods or services to, or on behalf of, Moody's are expected to act in accordance with our Supplier Code of Conduct (the "Supplier Code"). The Supplier Code was expanded in 2020 to reflect new social and environmental considerations in our supply chain, and describes Moody's expectations of its suppliers in the areas of business integrity, labour practices, employee health and safety, diversity, equity and inclusion, and environmental stewardship. The Supplier Code specifically addresses forced labour and human trafficking, requiring vendors comply with all laws and regulations such as the UK Modern Slavery Act 2015. The [Supplier Code of Conduct](#) can be found on Moody's website.



## Our due diligence processes in relation to slavery and human trafficking

Moody's utilises agency workers and, in doing so, works in compliance with the UK's Agency Worker Regulations and uses reputable agencies that have their own established governance and policies, including their own published modern slavery statements. From time-to-time, we also engage specialist contractor resources for specific projects.

Moody's exercises skill and care when selecting third party service providers, including a determination as to whether they have the ability and capacity to perform the contracted function(s) reliably and professionally. When selecting new suppliers, we consider the suitability of the particular product or service for Moody's needs, as well as other selection criteria, including organisation and management, reputation, and their ability to meet Moody's applicable regulatory or legal requirements. Further, Moody's established new environmental sustainability commitments in 2020, which includes engaging its value chain to ensure 60% of its suppliers by spend covering purchased goods and services and capital goods have science-based targets to reduce greenhouse gas emissions by 2025.

Our arrangements with material suppliers are documented by a written agreement specifying the respective rights and obligations of Moody's and the supplier. Moody's requires its service providers: (i) to comply with all applicable national, local, and international laws (including employment-related laws); and (ii) not to participate in any illegal, deceptive, misleading or unethical practices.

Our standard UK contract templates for professional services, general consulting services, client training services and temporary staffing services include a specific provision that requires the supplier: (i) to comply with all applicable antislavery and human trafficking laws (including the UK Modern Slavery Act 2015); (ii) implement due diligence procedures for their own supply chains so that there is no slavery or human trafficking in its supply chains; and (iii) notify Moody's upon becoming aware of any actual or suspected breach of any slavery-related laws. Additionally, our non-UK standard templates for professional services and general consulting services also refer to the UK Modern Slavery Act.

We will not support any supplier relationship where we are aware, or have reasonable grounds to believe, that slavery and human trafficking is taking place, and Moody's will take appropriate action if it appears that the supplier is not carrying out its functions as per its

contractual arrangements and / or in compliance with the applicable laws and regulatory requirements.

## Our risk management of slavery and human trafficking

### Risk Management

The Moody's Corporation enterprise risk management function is responsible for identifying and monitoring existing and emerging risks that may impede the achievement of Moody's strategic objectives, including societal goals. This function has assessed the risk of slavery and human trafficking for Moody's employees and within its supply chain to be low based on the characteristics of the business and the goods and services procured. The enterprise risk management function periodically reviews Moody's risks and reports to Moody's Corporation senior management and Board of Directors. Moody's further expanded its risk management efforts in 2021 by using Moody's Analytics' Orbis platform to monitor Moody's key suppliers for sustainability risks such as human rights violations, human trafficking, and environmental crimes, and to ensure compliance with the Supplier Code of Conduct and the new Human Rights Statement.



## Open Door Communication and Whistleblowing

Moody's is committed to fostering a culture and work environment in which all employees feel comfortable asking questions, seeking advice and raising issues that are important to them — including reporting allegations of non-compliance with laws, regulations and policies.

We elevate voices and concerns through our Open Door Policy, which supports employees in holding frank discussions with their immediate supervisors or other senior managers, as well as with members of the Compliance, HR and Legal departments. As part of this policy, Moody's prohibits, and does not tolerate, any form of retaliation against employees who raise concerns in good faith.

All employees have a number of channels to report concerns: managers; HR, Compliance and Legal departments; and the Integrity Hotline. The Integrity

Hotline allows employees to report any suspected wrongdoing anonymously, is staffed by a third party and is available at all times and in multiple languages. Reports made via the Integrity Hotline are forwarded to Moody's Legal and Compliance departments for follow-up, and all reports of suspected violations are promptly investigated and remediated.

## Our effectiveness in ensuring that slavery and human trafficking is not taking place in our business or supply chains

During the reporting period, Moody's has had no reports of slavery or human trafficking in our business or supply chains.

## Our training about slavery and human trafficking

Finally, Moody's provides extensive compliance and ethics training both to new employees and to existing employees to help reinforce the resources available to employees to raise concerns and ask questions and as an integral part of their overall professional development. Depending on the line of business and work location, within their first 90 days of employment, new hires to Moody's must complete several hours of online training that is aligned with our codes of conduct and policies. This training is designed to help analysts, managers, directors and other Moody's professionals clearly understand and execute their ethical responsibilities and regulatory obligations.

In this reporting period, Moody's made its training course on modern slavery

available to additional UK employees, including staff transferring into the UK from overseas and those employed by acquired entities in the UK.

## Our accountability

If you have any comments on this statement or would like to report any matter regarding it, please email [sustainability@moodys.com](mailto:sustainability@moodys.com).

**Monica Merli**

Director, Moody's Investors Service LTD,  
June 2021

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