

MOODY'S | Better decisions

GRI Report

2020

Moody's GRI Report 2020

The GRI content index accompanies Moody's 2020 sustainability reporting and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. All standards are the 2016 version except where noted in the GRI disclosure column. For a detailed explanation of the indicators, visit the [GRI website](#).

Moody's has mapped its sustainability progress to the United Nations (UN) Sustainable Development Goals (SDGs). The following key shows the icons used in this GRI Report wherever it maps with an SDG:



Unless otherwise noted, this document covers all of Moody's Corporation (NYSE: MCO) and its subsidiaries, and all quantitative data covers the period from January 1 to December 31, 2020.

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GRI Disclosure	Moody's Response																																												
GRI 102: General Disclosures																																													
Organizational Profile																																													
102-1 Name of the organization	Moody's Corporation (Moody's)																																												
102-2 Activities, brands, products, and services	<p>Moody's (NYSE: MCO) is a global integrated risk assessment firm that empowers organizations and investors to make better decisions. Moody's reports in two segments: Moody's Investors Service (MIS) publishes credit ratings and provides assessment services on a wide range of debt obligations, programs, facilities and the entities that issue such obligations in markets worldwide, including various corporate, financial institution and governmental obligations, and structured finance securities.</p> <p>Moody's Analytics (MA) is a global provider of data and analytic solutions which help companies make better and faster decisions. MA's analytic models, industry insights, software tools and proprietary data assets allow companies to inform and perform many critical business activities with trust and confidence.</p> <p>In 2020, Moody's formed Moody's ESG Solutions (MESG) to serve the growing global demand for environmental, social and governance (ESG) and climate insights. The business unit leverages Moody's data and expertise across ESG, climate risk and sustainable finance, and aligns with MIS and MA to deliver a comprehensive, integrated suite of ESG customer solutions.</p> <p>Moody's data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others. Moody's believes that greater transparency, more informed decisions and fair access to information open the door to shared progress. With over 11,400 employees in more than 40 countries, Moody's combines international presence with local expertise and over a century of experience in financial markets.</p>																																												
102-3 Location of headquarters	Moody's headquarters is located at 7 World Trade Center in New York, New York, USA.																																												
102-4 Location of operations	<p>Moody's maintains operations in the following countries:</p> <table><tr><td>Argentina</td><td>Denmark</td><td>Nepal</td><td>Spain</td></tr><tr><td>Australia</td><td>France</td><td>Netherlands</td><td>Sri Lanka</td></tr><tr><td>Austria</td><td>Germany</td><td>Panama</td><td>Sweden</td></tr><tr><td>Belgium</td><td>Hong Kong</td><td>Peru</td><td>Switzerland</td></tr><tr><td>Brazil</td><td>India</td><td>Poland</td><td>Thailand</td></tr><tr><td>Canada</td><td>Israel</td><td>Portugal</td><td>United Arab Emirates</td></tr><tr><td>Chile</td><td>Italy</td><td>Russia</td><td>United Kingdom</td></tr><tr><td>China</td><td>Japan</td><td>Saudi Arabia</td><td>United States of America</td></tr><tr><td>Costa Rica</td><td>Lithuania</td><td>Singapore</td><td></td></tr><tr><td>Cyprus</td><td>Mexico</td><td>Slovak Republic</td><td></td></tr><tr><td>Czech Republic</td><td>Morocco</td><td>South Africa</td><td></td></tr></table> <p>To see a detailed list of Moody's office locations, visit: bit.ly/moodyscontactus.</p>	Argentina	Denmark	Nepal	Spain	Australia	France	Netherlands	Sri Lanka	Austria	Germany	Panama	Sweden	Belgium	Hong Kong	Peru	Switzerland	Brazil	India	Poland	Thailand	Canada	Israel	Portugal	United Arab Emirates	Chile	Italy	Russia	United Kingdom	China	Japan	Saudi Arabia	United States of America	Costa Rica	Lithuania	Singapore		Cyprus	Mexico	Slovak Republic		Czech Republic	Morocco	South Africa	
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102-5 Ownership and legal form	<p>Moody's is a public corporation.</p> <p>As of year-end 2020, eight of the ten members of the Board were independent directors as determined using the independence criteria included in the New York Stock Exchange listing standards. Robert Fauber, who joined the Board in October 2020, and Raymond W. McDaniel, Jr., who retired as President and Chief Executive Officer (CEO) at the end of 2020 and has remained on the Board, are not considered independent. As of the date of this report, seven of the nine members of the Board are independent.</p>																																												

GRI Disclosure	Moody's Response																											
102-6 Markets served	<p>MIS rates and analyzes debt covering more than 130 countries, approximately 5,000 non-financial corporate issuers, 3,600 financial institution issuers, 16,200 public finance issuers (including sovereign, sub-sovereign and supranational issuers), 9,100 structured finance transactions and 1,000 infrastructure and project finance issuers. As of year-end 2020, MIS rated more than \$71 trillion of total outstanding debt.</p> <p>MA provides financial intelligence and analytical tools to assist businesses in making decisions. MA's portfolio of solutions consists of specialized research, data, software and professional services, which are assembled to support the financial analysis and risk management activities of institutional customers worldwide. MA customers operate worldwide in over 155 countries and include approximately 1,500 asset managers, 3,100 corporations, 675 insurance companies, 300 real estate entities, 2,900 commercial banks, 225 securities dealers and investment banks and 4,000 government and other entities. During 2020, Moody's research website was accessed by over 337,000 individuals, including 31,000 customers.</p> <p>ESG data and solutions are expected to play an increasingly important role across both MIS and MA as market participants seek trusted insights and standards to make better decisions. In 2020, Moody's formed MESG to serve the growing global demand for ESG and climate insights. The business unit leverages Moody's data and expertise across ESG, climate risk and sustainable finance, and aligns with MIS and MA to deliver a comprehensive, integrated suite of ESG customer solutions.</p>																											
102-7 Scale of the organization	<p>Moody's has over 11,400 employees worldwide and maintains significant operations in more than 40 countries. The annual revenue of Moody's in 2020 was \$5.4 billion (\$2.7 billion adjusted operating income). See more information in Moody's 2020 Annual Report, pages 77–83.</p>																											
102-8 Information on employees and other workers	<p>As of December 31, 2020, the number of Moody's full-time equivalent employees was 11,490. The majority of Moody's employees are employed on full-time contracts. A proportion of the Company's employees are part time, and their terms and conditions are otherwise the same as for full-time staff. Moody's may engage temporary employees, contractors and consultants for a variety of business purposes. There are no significant variations in Moody's employment numbers during the year (such as seasonal variations). The charts below represent additional information regarding the Company's workforce as of December 31, 2020.</p> <p>Gender statistics: global workforce¹</p> <table><tr><th></th><th>2019</th><th>2020</th></tr><tr><td>Male</td><td>58%</td><td>58%</td></tr><tr><td>Female</td><td>41%</td><td>41%</td></tr><tr><td>Not disclosed</td><td>1%</td><td>1%</td></tr></table> <p>Global employee breakdown by region²</p> <table><tr><th></th><th>2019</th><th>2020</th></tr><tr><td>Americas (excluding U.S.)</td><td>633</td><td>681</td></tr><tr><td>Asia-Pacific</td><td>3,464</td><td>3,401</td></tr><tr><td>EMEA</td><td>3,074</td><td>3,183</td></tr><tr><td>U.S.</td><td>3,909</td><td>4,225</td></tr></table> <p>For additional information on Moody's workforce, see Moody's 2020 Stakeholder Sustainability Metric Summary, pages 3–4.</p> <p>¹ The data represents employees that are integrated in Moody's IT systems. For 2020, this coverage is approximately 85% of the total Moody's full-time equivalent employees as reported in the 2020 Form 10-K. Non-employees (such as non-payroll consultants) and temporary employment workers (such as interns) are excluded from the analysis. Headcount as of December 31 of respective year.</p> <p>² The data represents the total Moody's full-time equivalent employees as reported in the 2020 Form 10-K. Headcount as of December 31 of respective year.</p> <p><i>Moody's is an equal opportunity employer and does not make employment decisions on the basis of race, ethnicity, gender or any other protected characteristic. Moody's recognizes that many different factors – for example, business growth and related new openings, successful recruitment of diverse applicants and turnover – will play key roles in whether or not the Company achieves its goals. Where it is within its control, the Company is focusing on each of these factors to create a robust diversity, equity and inclusion strategy that reflects its desire to be a market leader in this space.</i></p>		2019	2020	Male	58%	58%	Female	41%	41%	Not disclosed	1%	1%		2019	2020	Americas (excluding U.S.)	633	681	Asia-Pacific	3,464	3,401	EMEA	3,074	3,183	U.S.	3,909	4,225
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GRI Disclosure	Moody's Response
102-9 Supply chain	<p>Outsourcing and supply chain relationships</p> <p>Moody's has rigorous policies and procedures in relation to the engagement of suppliers that assist Moody's in the conduct of its business. Moody's also has a Vendor Selection and Contracting Policy, which sets out the parameters that apply to its 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 people of racial and ethnic underrepresented groups, women, people with disabilities, veterans and LGBTQ+ people with equal access to business opportunities.</p> <p>Supplier Code of Conduct</p> <p>Moody's believes that its supply chain consists of reputable companies, which include 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). Moody's suppliers that are engaged in providing goods or services to, or on behalf of, Moody's are expected to act in accordance with its Supplier Code of Conduct. The Supplier Code of Conduct was expanded in 2020 to reflect new social and environmental considerations in Moody's supply chain and describes Moody's expectations of its suppliers in the areas of business integrity, labor practices, employee health and safety, diversity and inclusion and environmental stewardship. The Supplier Code of Conduct can be found on Moody's website.</p> <p>Climate action</p> <p>Moody's set science-based targets for reducing its greenhouse gas (GHG) emissions, including a target for 60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025. Moody's updated its Supplier Code of Conduct to strongly encourage suppliers to disclose their carbon footprints and set science-based targets to achieve emissions reductions. Also in 2020, Moody's hosted webinars and engaged nearly 300 of its top suppliers, requesting that they participate in the annual CDP Climate Change disclosure. By year-end 2020, 26% of Moody's suppliers by spend covering purchased goods and services and capital goods had set science-based targets. For more information, see Moody's 2020 Decarbonization Plan and 2020 Stakeholder Sustainability Report, page 10.</p> <p>Due diligence</p> <p>Moody's suppliers are held to standards set forth in its Supplier Code of Conduct and Human Rights Statement. In 2021, Moody's is starting to monitor sustainability risks in its key suppliers with Orbis, an MA database on private companies. Moody's expects to use Orbis to monitor sustainability risks in 100% of its key suppliers by the end of 2021.</p> <p>Moody's Human Rights Statement and Modern Slavery Act Statement describe its efforts to help respect and protect human rights across its value chain.</p>
102-10 Significant changes to the organization and its supply chain	<p>On December 31, 2020, Mr. McDaniel stepped down from his position as President and Chief Executive Officer and assumed the role of non-executive Chairman of the Board of Directors. Robert Fauber, who served as the Chief Operating Officer during 2020, assumed the position of President and Chief Executive Officer effective as of January 1, 2021. Basil L. Anderson and Henry A. McKinnell, Jr. did not stand for reelection to the Board at the Annual Meeting and retired from the Board at the end of their terms on April 20, 2021. For more information, see Moody's 2021 Proxy Statement, pages 3, 36.</p> <p>In 2020, Moody's formed MESG to serve the growing global demand for ESG and climate insights. The business unit leverages Moody's data and expertise across ESG, climate risk and sustainable finance, and aligns with MIS and MA to deliver a comprehensive, integrated suite of ESG customer solutions.</p> <p>Due to the COVID-19 pandemic, Moody's closed certain offices and prioritized the health and safety of its employees by transitioning to remote work, making sure that all employees have the information and the technology they need to work effectively from home. As part of Moody's "Workplace of the Future" planning, the Company is evaluating the working preferences of employees and reviewing business function requirements for in-office and remote employment. Moody's goal is to devise flexible working plans and real estate spaces that support its anticipated future approach to delivering Moody's products and solutions to its customers. These plans are likely to see a consolidation of sites and redesign of spaces to support collaboration and flexible working conditions.</p> <p>For Moody's mergers and acquisitions activity in 2020, see its 2020 Form 10-K, page 21.</p> <p>The Supplier Code of Conduct was expanded in 2020 to reflect new social and environmental considerations in Moody's supply chain, and describes Moody's expectations of its suppliers in the areas of business integrity, labor practices, employee health and safety, diversity and inclusion and environmental stewardship. The Supplier Code of Conduct can be found on Moody's website. In addition, Moody's set science-based targets for reducing its GHG emissions, including a target for 60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025. The Supplier Code of Conduct strongly encourages suppliers to disclose their carbon footprints and set science-based targets to achieve emissions reductions. For more information, see Moody's 2020 Decarbonization Plan and 2020 Stakeholder Sustainability Report, page 10.</p>

GRI Disclosure	Moody's Response		
102-11 Precautionary Principle or approach	<p>As an active United Nations Global Compact (UNGC) participant and a signatory to UNGC's Business Ambition for 1.5°C, Moody's affirms its support annually for Principle 7: "Businesses should support a precautionary approach to environmental challenges." Moody's is a founding member of the UNGC's CFO Taskforce for the Sustainable Development Goals (SDGs), which aims to advance the SDGs through corporate strategy and investments. In 2021, Moody's joined the UNGC's Action Platform on Climate Ambition to accelerate ambitious climate action to deliver on the Paris Agreement and the SDGs.</p> <p>Moody's became a signatory of the Principles for Responsible Investment and joined the Prince of Wales' Accounting for Sustainability Project (A4S) and its CFO Leadership Network, with Moody's Chief Financial Officer (CFO) Mark Kaye signing the A4S CFO Net Zero Statement of Support.</p> <p>In 2020, Moody's implemented its 2020 Decarbonization Plan and made tangible progress on its corporate environmental sustainability commitments. Following up on its commitment to achieve net-zero GHG emissions by 2050, Moody's announced its validated science-based targets:</p> <ul style="list-style-type: none"> » 50% reduction in absolute Scope 1 and 2 GHG emissions by 2030;* » 15% reduction in Scope 3 GHG emissions from fuel and energy-related activities, business travel and employee commuting by 2025;* and » 60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025. <p>* From a 2019 base year.</p> <p>In addition, Moody's is procuring 100% renewable electricity for its global operations, has offset its emissions from operations, employee commuting and business travel since the year 2000, when the Company became public, and is committed to offsetting its residual emissions from these categories on an annual basis.</p> <p>Moody's was the first S&P 500 company to join the "Say on Climate" campaign, which seeks to implement sustainable business plans and advocates corporate climate action. Moody's announced its support of the "Say on Climate" campaign in its 2021 Proxy Statement and its stockholders supported the advisory resolution at its 2021 Annual Meeting of Stockholders, which took place on April 20, 2021.</p> <p>Moody's assesses climate-related risks and opportunities through a multidisciplinary risk management process. Risk management processes are intended to reflect risks the Company faces as an organization, including climate-related risks. At this time climate-related risks have not been determined to be material to Moody's operations. Moody's acknowledges future risks and opportunities may intensify and will continue to monitor and respond as needed. Moody's was one of the first financial service companies to report its climate-related financial risks and opportunities in line with the Task Force on Climate-related Financial Disclosures (TCFD) and it continues that reporting on an annual basis. The TCFD featured Moody's as a case study in its 2020 Status Report. In addition, Moody's Chief Credit Officer serves as a member of the TCFD, providing insight as to what might constitute "decision-useful" disclosures for investors and sharing Moody's own experience developing TCFD disclosures. For more information, see Moody's 2020 TCFD Report.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2020 Stakeholder Sustainability Report, Climate, page 8 » 2021 Proxy Statement, pages 72–73 		
102-12 External initiatives	<p>Moody's and its subsidiaries have adopted or publicly endorsed external sustainability principles and standards including, but not limited to:</p> <table border="0"> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> » Accounting for Sustainability (A4S) CFO Net Zero Statement of Support » Business Ambition for 1.5°C » Business Roundtable Statement on the Purpose of a Corporation » Climate Bonds Initiative (CBI) » Global Reporting Initiative (GRI) Standards » International Labour Organization (ILO) standards </td><td style="vertical-align: top;"> <ul style="list-style-type: none"> » Principles for Responsible Investment (PRI) » Financial Stability Board's TCFD Recommendations » Sustainability Accounting Standards Board (SASB) Standards » Ten Principles of the United Nations Global Compact (UNGC) » United Nations Statement from Business Leaders for Renewed Global Cooperation » United Nations Universal Declaration of Human Rights » World Economic Forum (WEF) metrics and disclosures related to stakeholder capitalism </td></tr> </table>	<ul style="list-style-type: none"> » Accounting for Sustainability (A4S) CFO Net Zero Statement of Support » Business Ambition for 1.5°C » Business Roundtable Statement on the Purpose of a Corporation » Climate Bonds Initiative (CBI) » Global Reporting Initiative (GRI) Standards » International Labour Organization (ILO) standards 	<ul style="list-style-type: none"> » Principles for Responsible Investment (PRI) » Financial Stability Board's TCFD Recommendations » Sustainability Accounting Standards Board (SASB) Standards » Ten Principles of the United Nations Global Compact (UNGC) » United Nations Statement from Business Leaders for Renewed Global Cooperation » United Nations Universal Declaration of Human Rights » World Economic Forum (WEF) metrics and disclosures related to stakeholder capitalism
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GRI Disclosure	Moody's Response
102-13 Membership of associations	<p>In 2020, Moody's and its subsidiaries were members of a number of associations (such as industry associations) and national or international organizations such as, but not limited to:</p> <ul style="list-style-type: none"> » Accounting for Sustainability (A4S) » AFNOR – ISO Management de l'environnement » Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) » American Society of Adaptation Professionals (ASAP) » Asia Investor Group on Climate Change (AIGCC) » Asian Venture Philanthropy Network (AVPN) » Aspen Network of Development Entrepreneurs (ANDE) » Bay Planning Coalition (BPC) » Bruegel » Business for Social Responsibility (BSR) » Business Roundtable (BRT) » Ceres Company and Investor networks (Ceres) » Chief Executives for Corporate Purpose (CECP) » CFA Institute » Climate Bonds Initiative (CBI) » Council of the Americas » Council on Foreign Relations (CFR) » CSR Europe » European Banking Federation (EBF) » Finance for Tomorrow » Green Finance Institute » Hong Kong Green Finance Association (HKGFA) » Institutional Investors Group on Climate Change (IIGCC) » Investor Group on Climate Change (IGCC) » Italian Private Equity, Venture Capital and Private Debt Association (AIFI) » National Center for APEC (NCAPEC) » New York & New Jersey Minority Supplier Development Council » Pacific Economic Cooperation Council (PECC) » Pensions and Lifetime Savings Association (PLSA) » Peterson Institute for International Economics (PIIE) » Program on International Financial Systems (PIFS) » Society for Corporate Governance » Sustainable Investment Forums (SIFs) <ul style="list-style-type: none"> – EUROSIF – FRENCHSIF – ITALIANSIF – SPAINSIF – SWESIF – UKSIF – USSIF – VBDO – ICMA » The Conference Board » The Institute of International Finance (IIF) » The Shift » Urban Land Institute (ULI) » UNGC » Women Presidents' Educational Organization (WPEO)
Strategy	
102-14 Statement from senior decision-maker	<p><u>2020 Stakeholder Sustainability Report</u>, A message from Robert Fauber, Moody's President and CEO, page 3.</p>
102-15 Key impacts, risks, and opportunities	<p>For information about Moody's strategy and prospects for growth, see its <u>2020 Form 10-K</u>, pages 20–24.</p> <p>For information about Moody's risk factors, see its <u>2020 Form 10-K</u>, pages 29–39.</p> <p>For information about Moody's climate-related risks and opportunities, see its <u>2020 TCFD Report</u>.</p> <p>For information about how Moody's is serving the growing global demand for ESG insights, see its <u>2020 Stakeholder Sustainability Report</u>, Better solutions, page 15.</p> <p>For information about how Moody's identifies its material sustainability topics, see its <u>2020 Stakeholder Sustainability Report</u>, Our material sustainability topics, page 7.</p>

GRI Disclosure	Moody's Response
Ethics and Integrity	
<p>102-16 Values, principles, standards, and norms of behavior</p> <p>16</p>	<p>Moody's values guide its progress in a complex and evolving environment. It believes that more informed decisions are better decisions and that financial knowledge empowers people. Moody's turns its beliefs into action by delivering the necessary inputs for informed decision-making that promote growth, sustainability and transparency.</p> <p>Principled Moody's is united by a determination to act with integrity and make a positive impact on the global economy and in its local communities.</p> <p>Inclusive Moody's believes that diverse viewpoints lead to better decisions. Everyone's opinion matters and everyone's contributions are valued.</p> <p>Collaborative Moody's works across boundaries to bring the right ideas, people and resources together to deliver the best outcomes and adapt to a changing marketplace.</p> <p>Forward thinking Staying relevant in a changing world means looking to tomorrow with curiosity, optimism and energy. Moody's passion, collective imagination and intellect opens the door to a better future for its customers, its communities and the environment.</p> <p>Rigorous Moody's intellectual excellence sets the Company apart. Moody's approaches its work with the greatest care and holds itself to the highest standard, every day, because it knows its work has impact.</p> <p>Every Moody's employee, as well as each member of the Board of Directors, is required to abide by Moody's Code of Business Conduct, which outlines the principles and policies they are expected to follow in their daily business activities. The Legal department is responsible for updates and distribution of the Code. HR is responsible for distribution of the Code to new employees.</p> <p>The Code, which is revised and republished at least every two years, is available in 11 languages: Arabic, Chinese, Dutch, English, French, Japanese, Korean, Portuguese, Russian, Slovak and Spanish. Upon hiring and periodically thereafter, including when a new version is published, all employees must certify that they have read, understand and will adhere to the Code. View Moody's Code of Business Conduct and other corporate governance documents at: bit.ly/moodyscgsp.</p> <p>In addition to the Code of Business Conduct, MIS has a Code of Professional Conduct that governs the rating process. View the MIS Code of Professional Conduct.</p> <p>Moody's has implemented a Supplier Code of Conduct describing its expectations of incumbent and prospective vendors in the areas of business integrity, labor practices, employee health and safety, diversity and inclusion, and environmental stewardship. Moody's Supplier Code of Conduct can be found on its website.</p> <p>In 2020, Moody's published its Human Rights Statement, which provides an overview of how Moody's endeavors to meet its responsibility with respect to human rights. View Moody's Human Rights Statement.</p>
<p>102-17 Mechanisms for advice and concerns about ethics</p> <p>16</p>	<p>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. Moody's elevates voices and concerns through its 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.</p> <p>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.</p> <p>Finally, Moody's provides extensive compliance and ethics training both to new employees and to existing employees to help reinforce the resources available to them 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 between 5.0 and 8.5 hours of online training that is aligned with its codes of conduct and policies. This training is designed to help Moody's employees clearly understand and execute their ethical responsibilities and regulatory obligations.</p> <p>Learn more about Moody's mechanisms for reporting concerns and receiving advice about potential policy violations or ethical issues in its Code of Business Conduct, pages 11–13.</p> <p>In 2020, Moody's deployed or conducted over 35 mandatory online and instructor-led courses to educate and refresh the knowledge of existing employees on compliance policies and codes of conduct.</p>

GRI Disclosure	Moody's Response
Governance	
102-18 Governance structure	<p>Moody's Board of Directors oversees the management and overall strategy of Moody's. Board members serve one-year terms and are elected annually by Moody's stockholders. Moody's has four standing Board committees:</p> <ul style="list-style-type: none"> » Audit Committee: Primarily oversees the integrity of the Company's financial statements and the financial reporting and audit process as well as financial, risk, accounting and other disclosures made in the Company's annual and quarterly reports related to sustainability. » Governance & Nominating Committee: Responsible for shaping the Company's corporate governance, engaging in director succession planning and identifying and recommending nominees for the Board; oversees sustainability matters, including significant issues of corporate social and environmental responsibility, as they pertain to the Company's business and to long-term value creation for the Company and its stockholders, and makes recommendations to the Board regarding these issues. » Compensation & Human Resources Committee: Responsible for oversight and recommendations regarding executive and director compensation, CEO and senior management succession planning and oversight of employee benefit plans. » Executive Committee: Exercises the authority and powers of the Board of Directors between meetings of the Board. <p>Moody's Board of Directors is responsible for oversight of the Company's effective management and strategy for ESG-related risks and opportunities. The CEO, who also serves on the Board, is responsible for ensuring that material risks are appropriately assessed and mitigated. The Board reviews its long-term strategic plan at least annually to assess the Company's approach. The Board is responsible for setting, maintaining and regularly reviewing policies and processes to manage Moody's exposure to risk. The Board is assisted by two committees that inform Moody's approach to ESG issues: the Governance & Nominating Committee and the Audit Committee.</p> <p>The Executive Leadership team (ELT) serves as the decision-making body for key strategic sustainability items, with oversight from two Moody's Board of Directors Committees: the Governance & Nominating Committee and the Audit Committee.</p> <p>In addition to overseeing the Finance function, the CFO is the head of Moody's Stakeholder Sustainability Group (SSG), with managerial oversight for Moody's Stakeholder Sustainability activities and MESG, and reports directly to the President and CEO. The Stakeholder Sustainability team evaluates the Company's progress on sustainability issues and generates recommendations to enhance Moody's approach to sustainability. MESG identifies opportunities in Moody's business that align with Moody's sustainability mission. The head of Stakeholder Sustainability oversees the design and implementation of Moody's corporate sustainability strategy. The head of MESG oversees the ESG and climate-related strategic opportunities in Moody's ESG products and solutions.</p> <p>The Chief Diversity Officer oversees Moody's diversity, equity and inclusion (DE&I) strategy and reports directly to the Senior Vice President (SVP), Chief Human Resources Officer. The head of Corporate Social Responsibility (CSR) oversees the design and execution of Moody's social impact strategy and reports directly to the SVP, Chief Strategy Officer.</p> <p>The Board's ongoing oversight extends throughout the year, as management continually adjusts its approach in response to emerging ESG-related risks and opportunities.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2021 Proxy Statement, pages 5, 15–19 » 2020 TCFD report

GRI Disclosure	Moody's Response
<p>102-19 Delegating authority</p>	<p>Moody's Board of Directors oversees the management and overall strategy of Moody's. Board members serve one-year terms and are elected annually by Moody's stockholders. Moody's has four standing Board committees:</p> <ul style="list-style-type: none"> » Audit Committee: Primarily oversees the integrity of the Company's financial statements and the financial reporting and audit process as well as financial, risk, accounting and other disclosures made in the Company's annual and quarterly reports related to sustainability. » Governance & Nominating Committee: Responsible for shaping the Company's corporate governance, engaging in director succession planning and identifying and recommending nominees for the Board; oversees sustainability matters, including significant issues of corporate social and environmental responsibility, as they pertain to the Company's business and to long-term value creation for the Company and its stockholders, and makes recommendations to the Board regarding these issues. » Compensation & Human Resources Committee: Responsible for oversight and recommendations regarding executive and director compensation, CEO and senior management succession planning and oversight of employee benefit plans. » Executive Committee: Exercises the authority and powers of the Board of Directors between meetings of the Board. <p>Moody's Board of Directors is responsible for oversight of the Company's effective management and strategy for ESG-related risks and opportunities. The CEO, who also serves on the Board, is responsible for ensuring that material risks are appropriately assessed and mitigated. The Board reviews its long-term strategic plan at least annually to assess the Company's approach. The Board is responsible for setting, maintaining and regularly reviewing policies and processes to manage Moody's exposure to risk. The Board is assisted by two committees that inform Moody's approach to ESG issues: the Governance & Nominating Committee and the Audit Committee.</p> <p>The ELT serves as the decision-making body for key strategic sustainability items, with oversight from two Moody's Board of Directors Committees: the Governance & Nominating Committee and the Audit Committee.</p> <p>In addition to overseeing the Finance function, the CFO is the head of Moody's SSG, with managerial oversight for Moody's Stakeholder Sustainability activities and MESH, and reports directly to the President and CEO. The Stakeholder Sustainability team evaluates the Company's progress on sustainability issues and generates recommendations to enhance Moody's approach to sustainability. MESH identifies opportunities in Moody's business that align with Moody's sustainability mission. The head of Stakeholder Sustainability oversees the design and implementation of Moody's corporate sustainability strategy. The head of MESH oversees the ESG and climate-related strategic opportunities in Moody's ESG products and solutions.</p> <p>The Chief Diversity Officer oversees Moody's DE&I strategy and reports directly to the SVP, Chief Human Resources Officer. The head of CSR oversees the design and execution of Moody's social impact strategy and reports directly to the SVP, Chief Strategy Officer.</p> <p>The Board's ongoing oversight extends throughout the year, as management continually adjusts its approach in response to emerging ESG-related risks and opportunities.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2021 Proxy Statement, pages 5, 15–19 » 2020 TCFD Report
<p>102-20 Executive-level responsibility for economic, environmental, and social topics</p>	<p>The ELT serves as the decision-making body for key strategic sustainability items, with oversight from two Moody's Board of Directors Committees: the Governance & Nominating Committee and the Audit Committee.</p> <p>The CFO oversees the Finance organization and provides leadership in innovation, implementation and influence to facilitate long-term sustainable growth. In doing so, the CFO embeds sustainability and ESG into business-as-usual financial processes and Company-wide operations, products and services. The CFO is the head of Moody's SSG, with managerial oversight for Moody's Stakeholder Sustainability activities and MESH, and reports directly to the President and CEO.</p>

GRI Disclosure	Moody's Response
<p>102-21 Consulting stakeholders on economic, environmental, and social topics</p> <p>16</p>	<p>Moody's Board of Directors is responsible for oversight of the Company's effective management and strategy for ESG-related risks and opportunities. The CEO, who also serves on the Board, is responsible for ensuring that material risks are appropriately assessed and mitigated. The Board reviews its long-term strategic plan at least annually to assess the Company's approach. The Board is responsible for setting, maintaining and regularly reviewing policies and processes to manage Moody's exposure to risk. The Board is assisted by two committees that inform Moody's approach to ESG issues: the Governance & Nominating Committee and the Audit Committee.</p> <ul style="list-style-type: none"> » The Governance & Nominating Committee is responsible for overseeing sustainability matters, including significant issues of corporate social and environmental responsibility, as they pertain to the Company's business and to long-term value creation for the Company and its stockholders, and making recommendations to the Board regarding these issues. » The Audit Committee oversees financial, risk, accounting and other disclosures made in Moody's annual and quarterly reports related to sustainability and supports the Board in its duties relating to oversight of the Company's risk assessment and risk management processes. <p>The ELT serves as the decision-making body for key strategic sustainability items, with oversight from two Moody's Board of Directors Committees: the Governance & Nominating Committee and the Audit Committee. The Board receives regular presentations from management on Moody's sustainability strategy and performance.</p> <p>There are a variety of ways in which stakeholder feedback on ESG topics is provided to members of the ELT and, when appropriate, the Board. These include:</p> <ul style="list-style-type: none"> » Customers: Customer feedback related to ESG is primarily managed by MESH and received through channels such as events, meetings and surveys. MESH provides customer feedback to the CFO when appropriate. » Employees: Employee feedback related to ESG is managed by multiple business units, but primarily Human Resources, and is received through channels such as surveys, performance reviews and Moody's Integrity Hotline. Employee feedback is provided to the ELT when appropriate. » Investors: Investor feedback related to ESG is managed by Investor Relations and, when applicable, the SSG. Investor feedback is received through channels such as calls and meetings, perception studies and Moody's Annual Meeting of Stockholders. Investor feedback is provided to the CFO and the Board when appropriate. » Suppliers: Supplier feedback related to ESG is managed by the Procurement and Sourcing Group and received through channels such as vendor agreements, meetings and webinars, and Moody's Supplier Diversity program. Supplier feedback is provided to the Chief Information Officer or other executive sponsor when appropriate. » Communities: Community partners' feedback related to ESG is managed by The Moody's Foundation and CSR team and received through channels such as partnerships and grant-making. Community partners' feedback is provided to the Chief Strategy Officer. » Government, regulators and policy influencers: Feedback provided by government, regulators and policy influencers related to ESG is managed by Government and Public Affairs and received through channels such as meetings, events and the sharing of thought leadership. This feedback is provided to the Chief Government and Public Affairs Officer when appropriate. Regulators also provide comments to Compliance. <p>The Board's ongoing oversight extends throughout the year, as management continually adjusts its approach in response to emerging ESG-related risks and opportunities.</p> <p>In 2020, Moody's conducted its first comprehensive non-financial materiality assessment to identify the sustainability topics that are most relevant to its internal and external stakeholders and most influential to its business. This assessment, completed by an independent consultant, used quantitative data and qualitative insight from international sustainability frameworks (e.g., SASB, GRI, TCFD, WEF and the SDGs) and internal and external stakeholders, including Moody's ELT and global workforce, customers, investors and NGO/advocacy groups. Moody's intends to revisit this process every two to three years to address evolving business, climate and regulatory changes.</p> <p>Moody's was the first S&P 500 company to join the "Say on Climate" campaign, which seeks to implement sustainable business plans and advocates corporate climate action. Moody's announced its support of the "Say on Climate" campaign in its 2021 Proxy Statement and its stockholders supported the advisory resolution at its 2021 Annual Meeting of Stockholders, which took place on April 20, 2021.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2020 Stakeholder Sustainability Report, Our material sustainability topics, page 7 » GRI Report: Stakeholder Engagement, 102-40, 42, 43 & 44 » 2021 Proxy Statement, pages 5, 12, 15–19, 24–25, 72–73

GRI Disclosure

Moody's Response

102-22
Composition of the highest
governance body and its
committees

5 16

Moody's Board of Directors sets high standards for the Company's employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the Board's duty to serve as a prudent fiduciary for shareholders and to oversee the management of the Company's business. To fulfill its responsibilities and to discharge its duty, the Board follows the procedures and standards that are set forth in the charters for its standing committees – the Audit, Governance & Nominating, Compensation & Human Resources and Executive Committees – and other governance documents. For more information, go to: <https://ir.moody's.com/moodys-overview/corporate-governance/default.aspx>.

All directors with the exceptions of Raymond W. McDaniel, Jr. and Robert Fauber are independent as determined using the independence criteria included in the New York Stock Exchange listing standards. All directors serve one-year terms and are elected annually by stockholders. Three members of the ten-member Board at year-end 2020 were female.

In 2020, Moody's Board of Directors was composed of the following members:

- » Henry A. McKinnell, Jr., PhD, Chairman
- » Basil L. Anderson
- » Jorge A. Bermudez
- » Thérèse Esperdy
- » Robert Fauber (joined October 2020)
- » Vincent A. Forlenza, Chairman of the Governance & Nominating Committee
- » Kathryn M. Hill, Chairman of the Compensation & Human Resources Committee
- » Raymond W. McDaniel, Jr.
- » Leslie F. Seidman, Chairman of the Audit Committee
- » Bruce Van Saun
- » Gerrit Zalm (retired April 2020)

In 2021, Moody's Board of Directors has been composed of the following members (as of May 31, 2021):

- » Raymond W. McDaniel, Jr., Chairman
- » Basil L. Anderson (retired April 2021)
- » Jorge A. Bermudez
- » Thérèse Esperdy
- » Robert Fauber
- » Vincent A. Forlenza, Lead Independent Director and Chairman of the Governance & Nominating Committee
- » Kathryn M. Hill, Chairman of the Compensation & Human Resources Committee
- » Lloyd W. Howell, Jr. (joined March 2021)
- » Henry A. McKinnell, Jr., PhD (retired April 2021)
- » Leslie F. Seidman, Chairman of the Audit Committee
- » Bruce Van Saun

**Gender statistics: Board of Directors
(as of respective annual stockholder meeting)**

	2020	2021
Female	3	3
Male	7	6

**Race and ethnicity statistics: Board of Directors
(as of respective annual stockholder meeting)**

	2020	2021
Underrepresented groups ¹	1	2
White	8	7
Not disclosed	1	

¹ Underrepresented groups include those who identified as Asian, Hispanic, Black, Native American/Alaskan Native, Hawaiian/Other Pacific Island or two or more races.

For more information about the composition of Moody's Board of Directors, see its:

- » [2021 Proxy Statement](#), pages 3–4, 24–30
- » [Director and Shareholder Affiliation Policy](#)

GRI Disclosure	Moody's Response
102-23 Chair of the highest governance body 16	As of January 1, 2021, Raymond W. McDaniel, Jr. is Moody's non-executive Chairman of the Board.
102-24 Nominating and selecting the highest governance body 5 16	Nomination and selection process: <u>2021 Proxy Statement</u> , pages 7–8, 18. Criteria used for nominating and selecting highest governance body members: <u>2021 Proxy Statement</u> , pages 24–25.
102-25 Conflicts of interest 16	<u>2021 Proxy Statement</u> , page 20 <u>Code of Ethics for Chief Executive and Senior Financial Officers</u> <u>Director and Shareholder Affiliation Policy</u>
102-26 Role of highest governance body in setting purpose, values, and strategy	<p>Moody's Board of Directors sets high standards for the Company's employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the Board's duty to serve as a prudent fiduciary for shareholders and to oversee the management of the Company's business. To fulfill its responsibilities and to discharge its duty, the Board follows the procedures and standards that are set forth in the charters for its standing committees – the Audit, Governance & Nominating, Compensation & Human Resources and Executive Committees – and other governance documents. For more information, go to: https://ir.moody.com/moodys-overview/corporate-governance/default.aspx.</p> <p>Moody's Board of Directors is responsible for oversight of the Company's effective management and strategy for ESG-related risks and opportunities. The CEO, who also serves on the Board, is responsible for ensuring that material risks are appropriately assessed and mitigated. The Board reviews its long-term strategic plan at least annually to assess the Company's approach. The Board is responsible for setting, maintaining and regularly reviewing policies and processes to manage Moody's exposure to risk. The Board is assisted by two committees that inform Moody's approach to ESG issues: the Governance & Nominating Committee and the Audit Committee.</p> <ul style="list-style-type: none"> » The Governance & Nominating Committee is responsible for overseeing sustainability matters, including significant issues of corporate social and environmental responsibility, as they pertain to the Company's business and to long-term value creation for the Company and its stockholders, and making recommendations to the Board regarding these issues. » The Audit Committee oversees financial, risk, accounting and other disclosures made in Moody's annual and quarterly reports related to sustainability and supports the Board in its duties relating to oversight of the Company's risk assessment and risk management processes. <p>The Board's ongoing oversight extends throughout the year, as management continually adjusts its approach in response to emerging ESG-related risks and opportunities.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » <u>2021 Proxy Statement</u>, pages 5, 15–19 » <u>2020 TCFD Report</u>
102-27 Collective knowledge of highest governance	The Board and its committees receive regular presentations from management on various economic, environmental and social issues such as credit risk, the macroeconomic environment and sustainability matters such as climate issues, diversity, equity and inclusion, pay equity and the integration of ESG factors into products and solutions. The Board has received education regarding Board oversight of ESG and sustainability. In March of 2021, the Chairman of the Audit Committee obtained a certificate in ESG oversight (GCB.D, 2021).
102-28 Evaluating the highest governance body's performance	Information regarding the Board and Committee evaluation can be found on page 12 of the <u>2021 Proxy Statement</u> .

GRI Disclosure	Moody's Response
<p>102-29 Identifying and managing economic, environmental, and social impacts</p> <p>16</p>	<p>Moody's Board of Directors is responsible for oversight of the Company's effective management and strategy for ESG-related risks and opportunities. The CEO, who also serves on the Board, is responsible for ensuring that material risks are appropriately assessed and mitigated. The Board reviews its long-term strategic plan at least annually to assess the Company's approach. The Board is responsible for setting, maintaining and regularly reviewing policies and processes to manage Moody's exposure to risk. The Board is assisted by two committees that inform Moody's approach to ESG issues: the Governance & Nominating Committee and the Audit Committee.</p> <ul style="list-style-type: none"> » The Governance & Nominating Committee is responsible for overseeing sustainability matters, including significant issues of corporate social and environmental responsibility, as they pertain to the Company's business and to long-term value creation for the Company and its stockholders, and making recommendations to the Board regarding these issues. » The Audit Committee oversees financial, risk, accounting and other disclosures made in Moody's annual and quarterly reports related to sustainability and supports the Board in its duties relating to oversight of the Company's risk assessment and risk management processes. <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2021 Proxy Statement, page 5, 15–19 » 2020 TCFD Report <p>The ELT serves as the decision-making body for key strategic sustainability items, with oversight from two Moody's Board of Directors Committees: the Governance & Nominating Committee and the Audit Committee.</p> <p>In addition to overseeing the Finance function, the CFO is the head of Moody's SSG, with managerial oversight for Moody's Stakeholder Sustainability activities and MESC, and reports directly to the President and CEO. The Stakeholder Sustainability team evaluates the Company's progress on sustainability issues and generates recommendations to enhance Moody's approach to sustainability. MESC identifies opportunities in Moody's business that align with Moody's sustainability mission. The head of Stakeholder Sustainability oversees the design and implementation of Moody's corporate sustainability strategy. The head of MESC oversees the ESG and climate-related strategic opportunities in Moody's ESG products and solutions.</p> <p>The Chief Diversity Officer oversees Moody's DE&I strategy and reports directly to the SVP, Chief Human Resources Officer. The head of CSR oversees the design and execution of Moody's social impact strategy and reports directly to the SVP, Chief Strategy Officer.</p> <p>In 2020, Moody's conducted its first comprehensive non-financial materiality assessment to identify the sustainability topics that are most relevant to its strategy and reporting content. This assessment, completed by an independent consultant, used quantitative data and qualitative insight from international sustainability frameworks (e.g., SASB, GRI, TCFD, WEF, SDGs) and internal and external stakeholders, including Moody's ELT and global workforce, customers, investors and NGO/advocacy groups. Moody's intends to revisit this process every two to three years to address evolving business, climate and regulatory changes. For more information, see Moody's 2020 Stakeholder Sustainability Report, Our material sustainability topics, page 7.</p>
<p>102-30 Effectiveness of risk management processes</p>	<p>Moody's integrates sustainability and ESG considerations into Enterprise Risk Management (ERM) processes. ERM is designed to establish a standard, organization-wide understanding of risk management and define roles and responsibilities based on the 2017 Committee of Sponsoring Organizations (COSO) framework. Risks are assessed in terms of size, the boundary of impact and financial or operational implications for Moody's service offerings. The CEO, who also serves on the Board, provides an additional tier of risk identification to submit any newly detected risks or opportunities to ERM. Under the oversight of the Board and its committees, the CEO has established an Enterprise-Wide Risk Committee, composed of the CEO and his direct reports, which includes the Chief Risk Officer (CRO). The Enterprise-Wide Risk Committee reviews the work on ERM and undertakes regular independent reviews of currently tracked risks with the aim of identifying potential new risks and opportunities for further exploration.</p> <p>Sustainability and ESG issues are integrated throughout Moody's Company-wide management process and are overseen by SSG. Moody's CRO, who reports to the CEO, provides oversight and monitoring of material risks that have the potential to impact Moody's operations and talent. The CRO is responsible for the full ERM function, including risk identification and monitoring.</p> <p>The Board Audit Committee oversees financial, risk and other disclosures made in Moody's annual and quarterly reports related to sustainability and supports the Board in its duties relating to oversight of the Company's risk assessment and risk management processes.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2021 Proxy Statement, pages 12–13 » 2020 TCFD report, pages 7, 16–17

GRI Disclosure	Moody's Response
102-31 Review of economic, environmental, and social topics	The Board and its committees receive regular updates on various economic, environmental and social issues such as credit risk, the macroeconomic environment, sustainability matters, climate issues, diversity, equity and inclusion, pay equity and the integration of ESG factors into products and solutions.
102-32 Highest governance body's role in sustainability reporting	The CFO formally reviews Moody's Stakeholder Sustainability Report.
102-33 Communicating critical concerns	Moody's <u>Code of Business Conduct</u> , pages 11–12 <u>2021 Proxy Statement</u> , pages 13–14
102-34 Nature and total number of critical concerns	All material legal matters are disclosed in Moody's <u>2020 Form 10-K</u> .
102-35 Remuneration policies	Remuneration policies for the highest governance body and senior executives can be found in Moody's <u>2021 Proxy Statement</u> , pages 21–22, 36–71. In 2020, the Board Compensation & Human Resources Committee introduced sustainability-related performance goals for determining compensation of certain senior executives, including the CFO. For more information, see Moody's <u>2021 Proxy Statement</u> , pages 44–47. Tiered monetary incentives for performance on sustainability topics link the accountability of Moody's strategic pillars to the Company's top executives (including the CFO).
102-36 Process for determining remuneration	<p>The Compensation & Human Resources Committee oversees the Company's overall compensation structure, policies and programs, assesses whether the Company's compensation structure establishes appropriate incentives for management and employees and considers the results of the most recent vote on the Company's advisory resolution approving executive compensation. The Committee also oversees the evaluation of senior management, including by reviewing and approving performance goals for the Company's CEO and other executive officers and by evaluating their performance against approved goals, including goals relating to sustainability. The Committee oversees and makes the final decisions regarding compensation arrangements for the CEO and for certain other executive officers, including the named executive officers. The CEO makes recommendations to the Committee regarding the amount and form of executive compensation (except with respect to his compensation). In addition, the CFO presents at all regularly scheduled Committee meetings.</p> <p>The Committee administers and makes recommendations to the Board with respect to the Company's incentive compensation and equity-based compensation plans that are subject to Board approval, including the Company's key employees' stock incentive plans. The Committee has authority, acting in a settlor capacity, to establish, amend and terminate the Company's employee benefit plans, programs and practices, and to review reports from management regarding the funding, investments and other features of such plans, and the Committee delegates to management the responsibilities it has with respect to the Company's employee benefit plans, programs and practices as the Committee deems appropriate. As discussed below, the Committee annually reviews the form and amount of compensation of directors for service on the Board and its committees and recommends any changes to the Board.</p> <p>The Committee is empowered to retain, at the Company's expense, such consultants, counsel or other outside advisors as it determines appropriate to assist it in the performance of its functions. In 2020, the Committee retained the services of Meridian Compensation Partners LLC ("Meridian"), an independent compensation consulting company, to provide advice and information about executive and director compensation, including the competitiveness of pay levels, executive compensation design and governance issues and market trends, as well as technical and compliance considerations. Meridian reports directly and solely to the Compensation & Human Resources Committee. Meridian exclusively provides executive and director compensation consulting services and does not provide any other services to the Company.</p> <p>The Committee regularly reviews the current engagements and the objectivity and independence of the advice that Meridian provides to the Committee on executive and director compensation. The Committee considered the six specific independence factors adopted by the SEC and the NYSE under the Dodd–Frank Act and other factors it deemed relevant, and the Committee found no conflicts of interest or other factors that would adversely affect Meridian's independence.</p> <p>For more information, see Moody's <u>2021 Proxy Statement</u>, pages 18–19.</p>

GRI Disclosure	Moody's Response
102-37 Stakeholders' involvement in remuneration 16	For elements of Moody's compensation program, see its 2021 Proxy Statement , pages 41–42.
102-38 Annual total compensation ratio	For CEO Pay Ratio disclosure, see Moody's 2021 Proxy Statement , page 71.
102-39 Percentage increase in annual total compensation ratio	For CEO Pay Ratio disclosure, see Moody's 2021 Proxy Statement , page 71.
Stakeholder Engagement	
102-40 List of stakeholder groups	<p>Moody's engages with a diverse set of internal and external stakeholders through various projects, initiatives and consultations, helping it form effective partnerships toward better business, better lives and better solutions. These include:</p> <ul style="list-style-type: none"> » Customers » Employees » Investors » Suppliers » Communities » Government, regulators and policy influencers
102-41 Collective bargaining agreements	Approximately 10% of employees are covered by a collective bargaining agreement.
102-42 Identifying and selecting stakeholders	<p>Moody's key stakeholders are entities or individuals who are involved in its business, can be directly affected by its business and/or whose actions can directly affect its business. Moody's engages with its key stakeholders in numerous ways on a variety of topics throughout the year. Stakeholder input and engagement helps Moody's shape, advance and implement its sustainability strategy toward better business, better lives and better solutions.</p>

GRI Disclosure	Moody's Response
102-43 Approach to stakeholder engagement	<p>Moody's engages with a diverse set of internal and external stakeholders through various projects, initiatives and consultations, helping it form effective partnerships toward better business, better lives and better solutions. The types of engagement include:</p> <p>Customers:</p> <ul style="list-style-type: none"> » Conferences and workshops » Face-to-face meetings » Customer satisfaction surveys » Annual perception study » Moody's social media accounts and a dedicated ESG Twitter feed, @MoodyESG » Moody's websites, including DE&I and Coronavirus Effects » In-person and virtual events <p>Employees:</p> <ul style="list-style-type: none"> » Company intranet, email, meetings and town halls » Engagement and well-being surveys » Business Resource Groups (BRGs) » In-person and online training and development programs » Performance reviews » Community events » Moody's Integrity Hotline <p>Investors:</p> <ul style="list-style-type: none"> » Group calls and meetings » Presentations » Investor Relations website » Biannual perception study, including ESG considerations » Centralized phone number for Investor Relations » Conferences and non-deal roadshows » Investor Day <p>Suppliers:</p> <ul style="list-style-type: none"> » Supplier Code of Conduct » Supplier Diversity program » In-person and virtual meetings, calls, conferences and workshops » Webinars hosted by Moody's <p>Communities:</p> <ul style="list-style-type: none"> » Strategic partnerships with industry membership organizations » Social investment programming with nonprofits through The Moody's Foundation » Pro bono engagements with nonprofits that align with Moody's strategic priorities » Employee volunteering and giving <p>Government, regulators and policy influencers:</p> <ul style="list-style-type: none"> » In-person and virtual meetings, conference calls and events » Showcase MIS and MA thought leadership and research on topics of interest to policymakers » Engage on public policy issues affecting Moody's globally, including capital markets, data and technology, economic recovery, and ESG and climate risk policy <p>In 2020, Moody's conducted its first comprehensive non-financial materiality assessment to identify the sustainability topics that are most relevant to its strategy and reporting content. This assessment, completed by an independent consultant, used quantitative data and qualitative insight from international sustainability frameworks (e.g., SASB, GRI, TCFD, WEF, SDGs) and internal and external stakeholders, including Moody's ELT and global workforce, customers, investors and NGO/advocacy groups. For more information, see Moody's 2020 Stakeholder Sustainability Report, Our material sustainability topics, page 7.</p>

GRI Disclosure	Moody's Response
102-44 Key topics and concerns raised	<p>Moody's uses a non-financial materiality assessment to identify the sustainability topics that are most relevant to its internal and external stakeholders and most influential to its business. The materiality assessment informs its sustainability strategy and reporting content. For more information, see Moody's 2020 Stakeholder Sustainability Report, Our material sustainability topics, page 7.</p> <p>Moody's engages with a diverse set of internal and external stakeholders through various projects, dialogue, initiatives and consultations, helping it form effective partnerships toward better business, better lives and better solutions. Examples of stakeholder engagements and outcomes include:</p> <p>Customers:</p> <ul style="list-style-type: none"> » Formed MESG to serve the growing global demand for ESG insights, products and solutions. » Launched the MIS ESG Issuer Profile and Credit Impact Scores to increase the transparency that Moody's customers seek on how ESG factors are incorporated into MIS's credit analysis. » Launched Moody's Multicultural Customer Initiative to support multicultural institutions with Moody's expertise, products and solutions, and placed cash deposits of Moody's Corporation with three Black-owned banks to help support the communities they serve. <p>Employees:</p> <ul style="list-style-type: none"> » Launched Moody's Moments that Matter: a virtual series designed to support employees with education and empowerment on mental health, resilience and how to thrive in the face of life's ordinary and extraordinary circumstances. » Moody's 2020 Business Engagement Survey provided leadership with useful insights related to culture, work-life balance and career development. » Launched Moody's Courageous Conversations: BRG-led sessions that serve as an incubator for learning, from understanding how racial unrest affects Moody's employees across the world to educating Moody's leaders on the experiences of those from diverse backgrounds. <p>Investors:</p> <ul style="list-style-type: none"> » Added sustainability and ESG content to Moody's Investor Relations page on its website, disclosures and presentations to address topics such as DE&I, climate commitments and changes in management. » Pivoted to virtual Investor Day 2020 due to COVID-19, with multiple members of senior management in attendance. » Announced Moody's support of the "Say on Climate" campaign in its 2021 Proxy Statement and stockholders supported the advisory resolution at its 2021 Annual Meeting of Stockholders which took place on April 20, 2021. <p>Suppliers:</p> <ul style="list-style-type: none"> » Engaged with nearly 300 of Moody's top suppliers and requested that they participate in the annual CDP disclosure. In 2020, 26% of Moody's suppliers by spend reported to have science-based targets. » Moody's is committed to providing equal access to business opportunities. Moody's is working to encourage diverse supplier spend through its Supplier Diversity program. <p>Communities:</p> <ul style="list-style-type: none"> » Moody's and WEConnect International's "Financing Your Growing Business" program supported female business owners through interactive boot camps and online training modules, focusing on credit training and accessing markets and capital. » Partnered with Village Capital in Latin America and the U.S. to empower small and medium-sized enterprises and minority-led businesses with financial knowledge. <p>Government, regulators and policy influencers:</p> <ul style="list-style-type: none"> » Shared MIS and MA thought leadership and research with over 300 policymakers and policy influencers worldwide to help assess COVID-19-related risks and impacts and shared further analysis with those policymakers who engaged in this outreach. » Partnered with A4S to help businesses integrate sustainable decision-making into their financial metrics. » Participated in the UNGC's CFO Taskforce for the SDGs and the Action Platform for Reporting on the SDGs. In 2021, Moody's joined the UNGC's Action Platform on Climate Ambition.

GRI Disclosure	Moody's Response
Reporting Practice	
102-45 Entities included in the consolidated financial statements	For a listing of the subsidiaries of Moody's Corporation, see Exhibit 21 in Moody's 2020 Form 10-K , page 292.
102-46 Defining report content and topic Boundaries	<p>Moody's uses a non-financial materiality assessment to identify the sustainability topics that are most relevant to its internal and external stakeholders and most influential to its business. The materiality assessment informs Moody's sustainability strategy and reporting content.</p> <p>In 2020, Moody's conducted its first comprehensive non-financial materiality assessment. This assessment, completed by an independent consultant, used quantitative data and qualitative insight from international sustainability frameworks (e.g., SASB, GRI, TCFD, WEF and SDGs) and internal and external stakeholders, including Moody's ELT and global workforce, customers, investors and NGO/advocacy groups. For more information, see Moody's 2020 Stakeholder Sustainability Report, Our material sustainability topics, page 7.</p> <p>Moody's approach and performance related to the identified material topics are addressed to varying degrees throughout its 2020 sustainability and financial disclosures. Moody's 2020 Stakeholder Sustainability Report covers additional sustainability topics, such as responsible sourcing, data privacy and communities that are important to key stakeholders and influential to its business.</p>
102-47 List of material topics	<p>Moody's uses a non-financial materiality assessment to identify the sustainability topics that are most relevant to its internal and external stakeholders and most influential to its business. The materiality assessment informs Moody's sustainability strategy and reporting content.</p> <p>The top ten topics identified in Moody's first non-financial materiality analysis include:</p> <ul style="list-style-type: none"> » Enhancing capital allocation decisions » Employee health and well-being » DE&I » Employee incentives and risk culture » Employee training and upskilling » Transparency and reporting » Climate » ESG integration » Process transparency and disclosure » Board diversity <p>Moody's approach and performance related to these topics are addressed to varying degrees throughout its 2020 sustainability and financial disclosures. Moody's 2020 Stakeholder Sustainability Report covers additional sustainability topics, such as responsible sourcing, data privacy and communities, that are important to key stakeholders and influential to its business.</p> <p>For more information, see Moody's 2020 Stakeholder Sustainability Report, Our material sustainability topics, page 7.</p>
102-48 Restatements of information	2019 GHG emissions related to Scope 1 and Scope 2 were updated from previously published values to reflect improvements in data quality during the digitization efforts of Moody's inventory. The change is not material and represents less than 0.5%. 2019 GHG emissions related to Scope 3 Purchased goods and services; Capital goods; and Fuel and energy-related activities were restated due to improvements in data quality and calculations.

GRI Disclosure	Moody's Response
102-49 Changes in reporting	<p>Sustainability has become a vital part of who Moody's is and what it stands for. As sustainability and ESG considerations become more important to its employees and other stakeholders, including its customers, regulators and stockholders, Moody's has made strong progress in placing them at the center of its business.</p> <p>Moody's growing focus on sustainability and ESG as a company in recent years has spurred the development of new products, extended its thought leadership, contributed to a successful effort to set an ambitious climate action program and led to the creation of MESH, a business unit that leverages Moody's data and expertise across ESG, climate risk and sustainable finance and aligns with MIS and MA to deliver a comprehensive, integrated suite of ESG customer solutions.</p> <p>As Moody's strategy continues to evolve and to align with market best practices, it has evolved its approach to center on a new SSG. In addition to overseeing the Finance function, the CFO is the head of the SSG, with managerial oversight for Moody's Stakeholder Sustainability activities and MESH, and reports directly to the President and CEO. The Stakeholder Sustainability team evaluates the Company's progress on sustainability issues and generates recommendations to enhance Moody's approach to sustainability. MESH identifies opportunities in Moody's business that align with Moody's sustainability mission. The head of Stakeholder Sustainability oversees the design and implementation of Moody's corporate sustainability strategy. The head of MESH oversees the strategic opportunities in Moody's ESG and climate-related products and solutions. This group advances sustainability across Moody's and leads Moody's growing financial and non-financial disclosures in this area.</p> <p>In 2020, Moody's conducted its first comprehensive non-financial materiality assessment to identify the sustainability topics that are most relevant to its internal and external stakeholders and most influential to its business. This assessment, completed by an independent consultant, used quantitative data and qualitative insight from international sustainability frameworks (e.g., SASB, GRI, TCFD, WEF and the SDGs) and internal and external stakeholders, including Moody's ELT and global workforce, customers, investors and NGO/advocacy groups. This analysis provided a blueprint for Moody's new sustainability strategy and informed the prioritization of sustainability topics that Moody's focuses on.</p> <p>The 2020 Stakeholder Sustainability Report is accompanied for the first time by an index covering the WEF recommended disclosures related to stakeholder capitalism.</p>
102-50 Reporting period	Reporting period is January 1 to December 31, 2020, unless otherwise stated.
102-51 Date of most recent report	Moody's most recent report, the 2019 CSR Report, was released in April 2020.
102-52 Reporting cycle	Moody's releases its Stakeholder Sustainability Report annually.
102-53 Contact point for questions regarding the report	Moody's invites you to email its Stakeholder Sustainability team at Sustainability@moodys.com with feedback and questions about this report.
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55 GRI content index	Moody's 2020 GRI Report is available on the Reporting Downloads page of its Stakeholder Sustainability website.
102-56 External assurance	<p>Apex Companies, LLC (Apex) conducted independent verification of Moody's GHG emissions and energy use for calendar year 2020, in addition to Moody's environmental sustainability commitments related to carbon neutrality, renewable electricity procurement and supplier engagement. Emissions verification includes Moody's full inventory: Scope 1 – Direct Sources, Scope 2 – Indirect Sources (location-based and market-based) and Scope 3 – Other Indirect Sources (category 1: Purchased goods and services, category 2: Capital goods, category 3: Fuel and energy-related activities, category 5: Waste, category 6: Business travel, category 7: Employee commuting). Emissions were verified in accordance with ISO 14064-3 Greenhouse Gases – Part 3. For more information, see Moody's Environmental Assurance Statement on pages 22–23 of Moody's 2020 TCFD Report.</p>

GRI Disclosure

Moody's Response

GRI 200 Economic Topics

GRI 201 Economic Performance

103-1 Explanation of the material topic and its Boundary	<p>Moody's manages its business with the goal of delivering value to all of its stakeholders, including its customers, employees, business partners, local communities and stockholders. In 2020, Moody's expanded its capabilities in important domains and extended its reach in key markets through a series of acquisitions and investments. It also brought its ESG and climate capabilities together in the newly formed Moody's ESG Solutions, aligning its efforts across the firm in this critically important area. The efforts of Moody's employees and their focus on its customers translated into a year of financial success for its stockholders, with Moody's revenue up 11% to \$5.4 billion and adjusted diluted EPS growth of 22%. MIS revenue grew an impressive 15% on the strength of global debt issuance activity and comprehensive coverage of global debt capital markets. MA had another strong year, growing 6% as usage of MA's products reached an all-time high, supported by strong retention rates. Together, this performance speaks to the value of Moody's products in helping its customers make better decisions, particularly during challenging times.</p> <p>For more information, please refer to the Company's 2020 Financial Statements and Management's Discussion and Analysis on pages 73–130 and 43–71, respectively, of the 2020 Form 10-K.</p>
103-2 The management approach and its components	<p>For information about Moody's management approach, please refer to:</p> <ul style="list-style-type: none"> » The Business Section, the Company's 2020 Financial Statements and Management's Discussion and Analysis on pages 10–28, 73–130 and 43–71, respectively, of the 2020 Form 10-K. » Moody's Corporate Governance Principles, which set forth a common set of expectations as to how the Board, its various committees and individual directors perform their functions.
103-3 Evaluation of the management approach	<p>Moody's Board of Directors oversees the management and overall strategy of Moody's, including its economic performance. Moody's has four standing Board committees:</p> <ul style="list-style-type: none"> » Audit Committee: Primarily oversees the integrity of the Company's financial statements and the financial reporting and audit process as well as financial, risk, accounting and other disclosures made in the Company's annual and quarterly reports related to sustainability. » Governance & Nominating Committee: Responsible for shaping the Company's corporate governance, engaging in director succession planning and identifying and recommending nominees for the Board; oversees sustainability matters, including significant issues of corporate social and environmental responsibility as they pertain to the Company's business and to long-term value creation for the Company and its stockholders, and makes recommendations to the Board regarding these issues. » Compensation & Human Resources Committee: Responsible for oversight and recommendations regarding executive and director compensation, CEO and senior management succession planning and oversight of employee benefit plans. » Executive Committee: Exercises the authority and powers of the Board of Directors between meetings of the Board. <p>For more information, please refer to:</p> <ul style="list-style-type: none"> » The Company's 2020 Financial Statements and Management's Discussion and Analysis on pages 73–130 and 43–71, respectively, of the 2020 Form 10-K » 2021 Proxy Statement, pages 15–19 » Moody's Corporate Governance Principles
201-1 Direct economic value generated and distributed	<p>Please refer to the Company's Statement of Operations on page 77 and detailed disaggregated revenue information set forth in Note 3 in its 2020 Form 10-K, pages 93–97.</p>

GRI Disclosure	Moody's Response
201-2 Financial implications and other risks and opportunities due to climate change 13	<p>Based on input from Moody's ERM function, consultants, risk assessments and its scenario analysis results, climate-related risks faced by Moody's do not present substantive financial or strategic impact on its operations. These results were reviewed by ERM, which prioritizes, tracks and monitors Company-wide risks.</p> <p>Moody's operations are exposed to climate-related physical risks, including heat and water stress, sea level rise, flooding, extreme weather events and wildfires. While these physical risks were established to have a non-substantive financial impact, the results of Moody's scenario analysis help to inform its capital allocation for adaptation/mitigation measures for each of its sites.</p> <p>To consider transition risks and to understand the impact of a potential mandatory price on carbon applied to its residual emissions, Moody's explored two low-emissions reference scenarios described by the Network for Greening the Financial System – applying their orderly and disorderly scenarios. Carbon price scenario modeling was undertaken to evaluate the impacts of pricing on Moody's direct (Scope 1) and indirect (Scope 2 and 3) GHG emissions. Under both transition scenarios modeled, Moody's found that the possible financial impacts varied over time frames; however, the annual risk never exceeded Moody's materiality threshold, and it was therefore concluded that transition risk related to carbon price does not present substantive financial impact on Moody's operations.</p> <p>Moody's transition assessment also evaluated risks relating to technology, market, reputation and legal issues to determine the financial impact of elements such as shifting consumer demand or preferences and costs on the transition to low-carbon energy sources. The scenario analysis results confirmed that these risks do not pose substantive financial impact. <u>Moody's 2020 Decarbonization Plan</u> positions the business well in the face of increased climate-related policies, reputational concerns and market changes.</p> <p>However, several climate-related opportunities do exist for Moody's across the categories of market, products and solutions, and resilience, as outlined in Moody's <u>2020 TCFD Report</u>. As part of its risk management effort, Moody's continues to adapt its products and solutions to incorporate climate considerations. MIS integrates ESG considerations into its credit ratings. MIS's new Issuer Profile Scores and ESG Credit Impact Scores are designed to provide transparency into the credit risks and benefits, as well as the impact on an issuer's credit rating, from ESG considerations, which include the potential long-term impacts of transition and physical climate-related risks. ESG is also integrated into multiple MA flagship databases, such as CreditView, Real Estate Information Services, DataHub and other tools like ESG Score Predictor and Climate Risk Dashboard.</p> <p>Please refer to Moody's <u>2020 TCFD Report</u> for more information on its physical and transition risks and opportunities associated with climate change.</p> <p>For information about climate change in Moody's risk factors, see Moody's <u>2020 Form 10-K</u>, page 34.</p>
GRI 205 Anti-Corruption	
103-1 Explanation of the material topic and its Boundary	<p>Moody's requires its employees and directors to conduct themselves according to the highest standards of integrity and ethics in all of their business activities. It is the duty of each employee to comply with all laws and regulations that apply to the Company's business including complying with all applicable anti-bribery and anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act ("UKBA") and all applicable anti-bribery and anti-corruption laws where Moody's operates, and to accurately reflect all transactions in Moody's books and records.</p>
103-2 The management approach and its components	<p>Every Moody's employee, as well as each member of the Board of Directors, is required to abide by Moody's Code of Business Conduct, which outlines the principles and policies they are expected to follow to maintain the highest standards of ethics and integrity in their daily business activities. The Code, which is revised and republished at least every two years, is available in 11 languages: Arabic, Chinese, Dutch, English, French, Japanese, Korean, Portuguese, Russian, Slovak and Spanish. Upon hiring and periodically thereafter, including when a new version is published, all employees must certify that they have read, understand and will adhere to the Code. In addition, upon hiring and periodically thereafter, every employee receives training on the Code.</p> <p>Upon hiring, every Moody's employee also receives training on the Company's <u>Anti-Bribery and Anti-Corruption Policy</u>, which sets forth the Company's expectation that all employees comply with all applicable anti-bribery and anti-corruption laws. Periodically thereafter, Moody's employees receive additional training on that policy, among others.</p> <p>Moody's <u>Supplier Code of Conduct</u>, which is provided to all suppliers and vendors who do business with Moody's, sets forth Moody's expectations that its suppliers and vendors will conduct their business activities to the highest ethical standards, including compliance with anti-bribery and anti-corruption laws.</p>
103-3 Evaluation of the management approach	<p>The principles set forth in the Code of Business Conduct and other relevant Company policies, including the Anti-Bribery and Anti-Corruption Policy, and procedures will be enforced at all levels of the Company. In some cases, compliance with the Code and other Company policies will be monitored by periodic audits, investigations or other reviews.</p> <p>Periodically, all Moody's employees and directors are required to certify that they have reviewed the Code, understand it and agree to be bound by its terms. The Code and the Company's policies are available on the Company's internal website for employees. The Code may be revised from time to time and the most recent, controlling version will always be available on the Company's intranet.</p>

GRI Disclosure	Moody's Response
205-2 Communication and training about anti-corruption policies and procedures 16	<p>Every Moody's employee, as well as each member of the Board of Directors, is required to abide by Moody's Code of Business Conduct, which outlines the principles and policies they are expected to follow to maintain the highest standards of ethics and integrity in their daily business activities. The Code, which is revised and republished at least every two years, is available in 11 languages: Arabic, Chinese, Dutch, English, French, Japanese, Korean, Portuguese, Russian, Slovak and Spanish. Upon hiring and periodically thereafter, including when a new version is published, all employees must certify that they have read, understand and will adhere to the Code. In addition, upon hiring and periodically thereafter, every employee receives training on the Code.</p> <p>Upon hiring, every Moody's employee also receives training on the Company's Anti-Bribery and Anti-Corruption Policy, which sets forth the Company's expectation that all employees comply with all applicable anti-bribery and anti-corruption laws. Periodically thereafter, Moody's employees receive additional training on that policy, among others.</p> <p>Moody's Supplier Code of Conduct, which is provided to all suppliers and vendors who do business with Moody's, sets forth Moody's expectations that its suppliers and vendors will conduct their business activities to the highest ethical standards, including compliance with anti-bribery and anti-corruption laws.</p>
GRI 300 Environmental Topics	
GRI 302 Energy and 305 Emissions	
103-1 Explanation of the material topic and its Boundary	<p>Moody's has a distinct role when it comes to climate change. Although Moody's is not a major emitter, it plays a central role in the capital markets. Through its actions, Moody's hopes to inspire good corporate practices that drive systemic change. Moody's supports the efforts toward more consistent and comparable disclosures, publishing its TCFD report on an annual basis, issuing its decarbonization plan with its targets and roadmap that reaffirm its commitment to net zero by 2050 and submitting this plan to a stockholder advisory vote at its 2021 Annual Meeting of Stockholders.</p> <p>Moody's environmental impacts are limited and include GHG emissions (from energy used in buildings under operational control and for transport) and waste (from office operations). Moody's 2020 Scope 3 GHG emissions reporting includes additional categories:</p> <ul style="list-style-type: none"> » Category 1: Purchased goods and services » Category 2: Capital goods » Category 3: Fuel and energy-related activities » Category 5: Waste generated in operations » Category 6: Business travel » Category 7: Employee commuting <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2020 Stakeholder Sustainability Report, Climate, pages 8–9 » 2020 TCFD Report » 2020 Decarbonization Plan

GRI Disclosure	Moody's Response
<p>103-2 The management approach and its components</p>	<p>Moody's environmental commitments</p> <p>Moody's made significant progress on its environmental sustainability goals in 2020. Moody's has set science-based targets for reducing its GHG emissions, established plans for expanding its carbon neutrality and procured 100% renewable electricity. Moody's intends to reach net-zero emissions by 2050, consistent with its commitment to the UNGC Business Ambition for 1.5°C.</p> <p>Moody's science-based targets for reducing its GHG emissions focus on three key metrics:</p> <ul style="list-style-type: none"> » 50% reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030;* » 15% reduction in Scope 3 GHG emissions from fuel and energy-related activities, business travel and employee commuting by 2025;* and » 60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025. <p>* From a 2019 base year.</p> <p>In addition to its science-based targets, Moody's is procuring 100% renewable electricity as well as offsetting residual emissions from its operations, business travel and employee commuting on an annual basis, and has offset those emissions retroactively to the year 2000, when the Company became public.</p> <p>Moody's is a founding participant of the UNGC CFO Taskforce for the SDGs – providing its expertise to a network for CFOs focused on advancing the SDGs through corporate strategy and investments. Moody's also has joined the UNGC's Action Platform on Climate Ambition, a working group that aims to accelerate ambitious climate action to deliver on the Paris Agreement and the SDGs. Moreover, Moody's joined the BRT, supported its Statement on the Purpose of a Corporation and contributed to its Addressing Climate Change: Principles and Policies. In addition, Moody's Chief Credit Officer serves as a member of the TCFD, providing insight as to what might constitute "decision-useful" disclosures for investors and sharing Moody's own experience developing TCFD disclosures. Moody's also signed the PRI and the CFO Net Zero Statement of Support by A4S, where its CFO serves as a member.</p> <p>For further detail on Moody's environmental commitments and progress, see its:</p> <ul style="list-style-type: none"> » 2020 Decarbonization Plan » 2020 Stakeholder Sustainability Report, Climate, pages 8–9 » 2020 TCFD Report <p>In addition to its corporate advancements, Moody's has further demonstrated its commitment to growing its platform of risk assessment capabilities and advancing its global standards for assessing environmental and climate risk factors. In 2020, Moody's formed MESG, which drives systemic change in the capital markets through its Climate Solutions offering. Moody's continues to integrate climate risk considerations into its credit ratings and risk management solutions to enable comprehensive decision-making. For more information, go to https://esg.moody's.io/climate-solutions.</p> <p>Physical footprint</p> <p>Along with procuring 100% renewable electricity, influencing the environmental practices of its building managers and landlords and implementing projects where possible, Moody's uses environmental considerations to help guide its selection of office locations. This includes leasing space in energy-efficient buildings that are Leadership in Energy and Environmental Design (LEED) certified (or a local equivalent outside the U.S.); that have convenient access to public transportation; that include bicycle storage and shower facilities to promote exercise and greener commuting; and that use energy-efficient, recycled and sustainable materials, fixtures and control systems, including daylight-harvesting sensors that maximize a building's natural light. In 2021, Moody's introduced a shadow price on carbon to evaluate new facility leases on their emissions performance.</p> <p>Decarbonization Plan and Environmental & Sustainability Policy</p> <p>In 2020, Moody's implemented its 2020 Decarbonization Plan, describing its corporate environmental sustainability commitments and roadmap. Moody's Environmental & Sustainability Policy, reviewed and approved by the Board of Directors, articulates a strategic direction for its environmental initiatives and expands its commitment to using natural resources more efficiently and reducing the impact of its business on the environment.</p>

GRI Disclosure

Moody's Response

103-3
Evaluation of the
management approach

The SSG, in consultation with Moody's Facilities and Global Real Estate teams, regularly reviews Moody's environmental operating procedures. Moody's reports in line with globally recognized and relevant ESG reporting frameworks, such as GRI, TCFD, CDP and UNGC. It also engages third-party auditors to review its GHG inventory and implements an internal monitoring and review process to track and refine accuracy over time.

In 2020, Moody's made significant improvements in its environmental data collection by implementing a digital environmental data management system and elevating its data and performance tracking and monitoring capabilities. The system allows Moody's to globally aggregate all utility data in a single system of record, closely track data variance across sources and verify data quality and performance on an ongoing basis.

For more information on Moody's Board of Directors' oversight of the Company's effective management and strategy for climate-related risks and opportunities, see Moody's [2020 TCFD Report](#).

Energy consumption

302-1
Energy consumption within
the organization

7 8 12 13

Energy consumption

	2019	2020	YoY change
Total energy (MWh)	38,134	25,201	-34%
Scope 1 – Direct			
Natural gas (MWh)	3,990	1,702	-57%
Other direct (diesel, liquefied petroleum gas) (MWh)	854	324	-62%
Scope 2 – Indirect			
Total electricity consumption from operations (MWh)	27,984	18,731	-33%
Renewable electricity use (property portfolio)	11%	100%	
Other indirect (purchased steam and cooling) (MWh)	5,306	4,444	-16%

Energy intensity

302-3
Energy intensity

7 8 12 13

Energy intensity

	2019	2020	YoY change
Energy intensity ratio per sq ft ¹ (kWh/sq ft)	17	12	-29%

¹ Emissions include all offices under operational control. Square footage includes Moody's managed offices and excludes shared-space offices due to data access limitations. The impact is expected to be not material, with employees in shared-space offices accounting for approximately 3% of total employees.

GRI Disclosure

Moody's Response

302-4
Reduction of energy
consumption

8 12 13

To reduce energy consumption, Moody's tracks the number of employees in LEED-certified (or equivalent) buildings, which is approximately 60% of its workforce. As part of its future real estate plans, Moody's aims to increase this percentage while also reducing under-utilized office space as it shifts toward a more digital workplace. It also plans to expand and implement employee programs dedicated to electricity usage reduction, such as Moody's Summer Lights Out Initiative, which consists of its global offices dimming or turning off lights during Friday afternoons.

Moody's technology infrastructure enabled its global workforce to work remotely for as long as required due to the global pandemic, which has resulted in energy savings in its office spaces. Moody's is also adapting its operations in a way that better serves the needs of its employees. The "Workplace of the Future" project, initiated in 2020, is enhancing Moody's technology and IT infrastructure and implementing an enhanced flexible work model that will allow increased part and full-time remote work that may allow Moody's to reduce office space, employee commuting and business travel over the long term.

For more information, see Moody's:

- » [2020 Stakeholder Sustainability Metric Summary](#), page 1
- » [2020 TCFD Report](#), pages 17–19
- » [2020 Decarbonization Plan](#)

305-1
Direct (Scope 1) GHG
emissions

3 12 13 14 15

Scope 1 emissions

	2019	2020	YoY change
Scope 1 ¹ (mtCO ₂ e)	1,560	684	-56%

Scope 1 emissions were calculated in accordance with the World Resources Institute/World Business Council for Sustainable Development GHG Protocol Corporate Accounting and Reporting Standard, and external assurance of those emissions was attained.

GHG inventory covers the seven UNFCCC/Kyoto Protocol gases – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). The Global Warming Potentials applied are consistent with the 5th Assessment Report.

Reductions in Scope 1 emissions resulted from widespread remote work during the COVID-19 pandemic, subsequent lockdowns and temporary office closures. In addition, in 2020, Moody's permanently closed or reduced its real estate spaces in response to a successful shift to remote work and in anticipation of its "Workplace of the Future" planning. Initiated in 2020, the project is enhancing Moody's technology and IT infrastructure and implementing an enhanced flexible work model that will allow increased part and full-time remote work that may allow Moody's to reduce office space, employee commuting and business travel over the long term.

1 2019 Scope 1 emissions were updated from previously published values to reflect improvement in data quality during the digitization efforts of Moody's inventory. The change is not material and represents less than 0.5%.

305-2
Energy indirect (Scope 2)
GHG emissions

3 12 13 14 15

Scope 2 emissions

	2019	2020	YoY change
Scope 2 market-based ² (mtCO ₂ e)	10,523	983	-91%
Scope 2 location-based ² (mtCO ₂ e)	11,171	7,142	-36%

Scope 2 emissions were calculated in accordance with the World Resources Institute/World Business Council for Sustainable Development GHG Protocol Corporate Accounting and Reporting Standard, and external assurance of those emissions was attained.

GHG inventory covers the seven UNFCCC/Kyoto Protocol gases – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). The Global Warming Potentials applied are consistent with the 5th Assessment Report.

Scope 2 emissions have reduced since 2019 largely through the procurement of renewable electricity. In 2020, Moody's successfully met its commitment to procure 100% renewable electricity for its global operations through energy attribute certificates.

2 2019 Scope 2 emissions were updated from previously published values to reflect improvement in data quality during the digitization efforts of Moody's inventory. The change is not material and represents less than 0.5%.

GRI Disclosure

Moody's Response

305-3
Other indirect (Scope 3)
GHG emissions

3 12 13 14 15

Scope 3 emissions

	2019	2020	YoY change
Scope 3 (mtCO ₂ e)	121,817	115,942	-5%
Purchased goods and services ¹	89,963	101,600	+13%
Capital goods ¹	3,522	9,800	+178%
Fuel and energy-related activities ¹	3,677	181	-95%
Business travel	15,388	2,100	-86%
Employee commuting	8,785	2,200	-75%
Waste generated in operations	482	61	-87%

Scope 3 emissions were calculated in accordance with the World Resources Institute/World Business Council for Sustainable Development Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and external assurance of those emissions was attained.

GHG inventory covers the seven UNFCCC/Kyoto Protocol gases – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). The Global Warming Potentials applied are consistent with the 5th Assessment Report.

¹ 2019 emissions in these Scope 3 categories were restated due to improvements in data quality and calculations.

305-4
GHG emissions intensity

13 14 15

GHG intensity

	2019	2020	YoY change
GHG intensity (Scope 1 and Scope 2 mtCO ₂ e/sq ft) ²	0.01	0.001	-90%

GHG inventory covers the seven UNFCCC/Kyoto Protocol gases – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). The Global Warming Potentials applied are consistent with the 5th Assessment Report.

² Emissions include all offices under operational control. Square footage includes Moody's managed offices and excludes shared-space offices due to data access limitations. The impact is expected to be not material, with employees in shared-space offices accounting for approximately 3% of total employees.

305-5
Reduction of GHG emissions

13 14 15

Moody's overarching climate-related goal is to achieve net-zero emissions by 2050. This long-term goal is consistent with Moody's commitment to the UNGC Business Ambition for 1.5°C. Moody's has set science-based targets aligned with a 1.5°C trajectory in the interim to meet this long-term goal. Moody's science-based targets covering Scope 1, Scope 2 and Scope 3 were formally validated by the Science Based Targets initiative (SBTi) in July 2020.

In 2020, Moody's exceeded its 50% reduction target in Scope 1 and 2 GHG emissions by 2030, largely through the procurement of renewable electricity. The Company also exceeded its 15% reduction target in Scope 3 GHG emissions by 2025 from fuel and energy-related activities, business travel and employee commuting. Moody's will continue to work to achieve its target reductions by the designated year. Additionally, Moody's made strong progress against its supplier engagement target, with 26% of suppliers by spend now committed to science-based targets.

In 2020, Moody's made significant improvements in its environmental data collection by implementing a new environmental data management system and expanding its coverage to all its operations.

For more information, see Moody's:

- » [2020 Stakeholder Sustainability Metric Summary](#), page 3
- » [2020 TCFD Report](#), pages 17–19
- » [2020 Decarbonization Plan](#)

GRI Disclosure

Moody's Response

GRI 308: Supplier Environmental Assessment

103-1 Explanation of the material topic and its Boundary	<p>Moody's is committed to conducting its business in accordance with the highest ethical standards and in compliance with applicable laws, rules and regulations. Moody's expects its vendors, suppliers, contractors and consultants to share its commitment and operate in compliance with applicable laws, rules and regulations, and the standards of business conduct set forth in Moody's Supplier Code of Conduct.</p> <p>Climate-related risks faced by Moody's and within its supply chain are low based on the characteristics of the business and the goods and services procured. However, engaging suppliers on environmental topics is important to Moody's stakeholders and a key element of Moody's 2020 Decarbonization Plan and strategy to achieve net-zero emissions. In 2020, Moody's set science-based targets for reducing its GHG emissions, including a target for 60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2020 Stakeholder Sustainability Report, Climate and Responsible sourcing, pages 8, 10 » 2020 Decarbonization Plan 				
103-2 The management approach and its components	<p>Moody's Procurement & Sourcing Group (PSG) partners with internal customers for the timely procurement of products and services, achieving cost reductions, providing actionable, data-driven financial insights, managing supplier risk and championing the engagement of a sustainable, diverse and inclusive supplier base. Through analytics and business intelligence, the PSG's Supplier Relationship Management team aims to add value and visibility to Moody's internal customers' business needs and challenges by implementing a robust governance model to drive enhanced supplier performance, collaboration and compliance to contractual requirements through measurement of key data points: quality, compliance, cost, risk, sustainability, diversity and innovation.</p> <p>Moody's published a Decarbonization Plan in 2020, which includes a verified science-based target for 60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025. In addition, Moody's Supplier Code of Conduct was updated to strongly encourage suppliers to disclose their carbon footprint and set science-based targets to achieve emissions reductions. In 2020, Moody's hosted webinars and engaged nearly 300 of its top suppliers, requesting that they participate in the annual CDP Climate Change disclosure. Moody's made strong progress against its science-based supplier engagement targets:</p> <p>Target</p> <table data-bbox="384 927 1400 1029"> <tr> <th></th><th>2020 performance</th></tr> <tr> <td>60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025</td><td>26%</td></tr> </table> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » Supplier Code of Conduct » 2020 Stakeholder Sustainability Report, Responsible sourcing, page 10 » 2020 Stakeholder Sustainability Metric Summary, page 3 » Human Rights Statement 		2020 performance	60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025	26%
	2020 performance				
60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025	26%				
103-3 Evaluation of the management approach	<p>Moody's suppliers are held to standards set forth in its Supplier Code of Conduct and Human Rights Statement, and in 2021 Moody's is starting to monitor these sustainability risks in its key suppliers with Orbis, an MA database on private companies. Moody's expects to use Orbis to monitor sustainability risks in 100% of its key suppliers by the end of 2021.</p> <p>Moody's also evaluates the environmental performance of suppliers through its verified science-based target for 60% of Moody's suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025. For more information, see Moody's 2020 Stakeholder Sustainability Report, Responsible sourcing, page 10.</p>				
308-1 New suppliers that were screened using environmental criteria	<p>In 2021, Moody's is starting to monitor sustainability risks in its key suppliers with Orbis, an MA database on private companies. Moody's expects to use Orbis to monitor sustainability risks in 100% of its key suppliers by the end of 2021.</p>				

GRI Disclosure	Moody's Response
GRI 400 Social Topics	
GRI 401 Employment	
103-1 Explanation of the material topic and its Boundary	<p>Attracting and retaining the right talent is paramount to Moody's success. Together with its employees, Moody's continues to focus on its customers, drive growth and expand its capabilities with an adaptive and engaged workforce. Moody's works to foster a culture of independence, inclusion and intellectual leadership. It strives to build an environment that values collaboration and professional growth. And it works to ensure that all its employees can share their perspectives and be heard.</p> <p>A number of Moody's non-financial material topics are related to employment, such as employee health and well-being, incentives and risk culture, training and upskilling, and diversity, equity and inclusion.</p>
103-2 The management approach and its components	<p>In 2020, Moody's launched "Forward together" as its employer brand tagline. "Forward together" conveys Moody's diverse, forward-thinking and collaborative "One Moody's" culture. Developed through an extensive process including a culmination of focus groups, interviews, workshops and discussions with the ELT and employees around the world, this tagline outlines the unique benefits that Moody's offers individuals who share their enthusiasm, capabilities and experience with the Company.</p> <p>With the multidimensional challenges of a mixed-generation workforce, global pressures, industry disruptions and talent competition, Moody's continues its commitment to its people and talent planning. In 2020, Moody's continued to focus on how it attracts, assesses, identifies and develops talent for current and future roles, including attracting and retaining talent from a diverse talent pool. In addition, Moody's continued investment in progressive in-house leadership development helps lead to a more empowered workforce and robust leadership pipeline.</p> <p>Over the course of 2020, Moody's:</p> <ul style="list-style-type: none"> » finalized its new employee value proposition and employer brand and introduced them to its employees for the first time; » measured employee satisfaction, health and well-being, and workplace preferences; » established baseline Moody's practices and processes for the selection, development and promotion of talent globally including evolving to growth and event-driven promotions; » developed a consistent performance management approach: Grow, Perform, Succeed (GPS). GPS emphasizes Moody's commitment to employee growth and development through a common approach, dynamic objective settings, refreshed success factors and continual feedback. An integral focus of GPS is enabling managers and employees and incorporating the new set of behaviors into Moody's Leadership Success Profile and leadership programs; » developed and launched Virtual Leadership Essentials, targeting first-level managers, and ran two pilots with Moody's high-potential pipeline; » implemented a 360-degree multi-rater assessment aligned to the Leadership Success Profile; and » identified an enterprise talent pool of high-potential, diverse leaders. <p>Moving forward, Moody's plans to continue developing its strategy with the aim of:</p> <ul style="list-style-type: none"> » embedding the GPS success factors into performance management, interview practices, succession planning and criteria for leadership promotions; » developing and launching additional leader/manager programs, focusing on inclusive behaviors; » developing and launching a senior leader program focused on change and agility; and » continuing to enhance its talent review practices, with a focus on identifying and accelerating the development of high-potential talent across Moody's.

GRI Disclosure	Moody's Response									
103-2 The management approach and its components (continued)	<p>Compensation</p> <p>Moody's compensation philosophy has four components; Moody's strives for its compensation to be:</p> <ul style="list-style-type: none">» structured fairly. Moody's strives to structure its compensation programs in a fair and equitable manner, meaning that employees in similar roles should have similar compensation opportunities. Moody's assigns every position a salary band by evaluating job responsibilities, competency, accountability, complexity and required level of partnership;» aligned to local markets. Moody's participates in salary surveys in each of its markets to ensure it can attract and retain strong talent by offering compensation in line with the expectations of the local market. Moody's receives aggregated compensation data for each job description and updates its pay structures and salary bands every year before the annual salary review process;» driven and differentiated by performance. The main vehicle for Moody's to align employees' compensation to Company and individual performance is its annual cash incentive or bonus programs. Moody's cash incentives align program payouts to targeted performance measures determined by Moody's goals. Bonus awards are calculated based first on the performance of an employee's operating company, then on the employee's individual performance; and» understood and valued by all. The final principle of Moody's compensation philosophy has been formally added in 2020 and will serve as a directional goal to be achieved within the next few years. <p>Equal employment opportunity</p> <p>Moody's is an equal opportunity employer. For Moody's full policy, see Moody's Affirmative Action and Equal Employment Opportunity Policy Statement.</p>									
103-3 Evaluation of the management approach	<p>Employee engagement</p> <p>Each year, Moody's encourages its employees to provide anonymous and candid feedback through its Business Engagement Survey (BES). In the fall of 2020, Moody's conducted a survey to measure its employees' experience. To do this, Moody's partners with Glint, a leader in employee surveys and employee engagement. There are three key reasons for Moody's approach:</p> <ol style="list-style-type: none">1. To understand its employees' level of engagement throughout the year by conducting shorter, more frequent pulse surveys (e.g., two BES pulse surveys in 2020).2. To ensure it has accurate, quality data to take action – Moody's is now using a validated measure of engagement and including two open-ended items.3. To reinforce managers' roles in taking action on the results by including specific resources to address opportunity areas. <p>Business context</p> <p>The past year brought significant changes and challenges for the Company and its employees. Moody's seamlessly transitioned to a full-time, global remote workforce thanks to the tireless support of the Information Technology team and the resiliency of its employees. Many companies, including Moody's, saw an increase in engagement scores in 2020. While most companies' scores have begun to return to pre-pandemic levels, Moody's engagement scores have remained high. Employees' perceptions of Company culture are mostly positive, as are their views on Moody's focus on teamwork, inclusion and dedication. More work remains to be done as employees struggle with work-life balance and look for more opportunities for career development. Moody's goal for 2021 is to address both areas to further improve the employee experience while ensuring it continues to retain key talent.</p> <p>2020 BES results and actions:</p> <p>Moody's engagement score (i.e., average of two items: "How happy are you at Moody's?" and "Would you recommend Moody's?") is 76. The global benchmark is 74.¹</p> <table><tr><th></th><th>2019</th><th>2020</th></tr><tr><td>Employee Engagement Score</td><td>71</td><td>76</td></tr><tr><td>Employees participating in employee engagement surveys</td><td>87%</td><td>86%</td></tr></table> <p><small>1 Glint's global benchmark definition: "Cross-client, cross-industry and cross-country, Glint's Global benchmark represents companies that have a home base in various countries and may or may not operate outside of their home country. Combining panel and employee data, our benchmarks include employees from well over 500 companies that have greater than 5,000 employees each, of which over 50 companies have over 100,000 employees each. Respondents are included from over 150 countries. Given our unique approach, our benchmarks represent tens of millions of employees."</small></p>		2019	2020	Employee Engagement Score	71	76	Employees participating in employee engagement surveys	87%	86%
	2019	2020								
Employee Engagement Score	71	76								
Employees participating in employee engagement surveys	87%	86%								

GRI Disclosure	Moody's Response
<p>103-3 Evaluation of the management approach (continued)</p>	<p>Key themes and actions for 2021 include:</p> <ul style="list-style-type: none"> » Employees are highly engaged but struggling to balance work and well-being. Action: Work with leadership teams to address short, medium and long-term actions that can support work-life balance. » Employees appreciate Moody's rigorous and collaborative culture but want faster decisions and more innovation. Action: As part of Moody's new approach to performance management, a standard set of core behaviors will be reinforced across the organization. Multiple behaviors support improved decision-making and innovation. Select behaviors include "Collaborate with Purpose," "Adapt and Innovate" and "Embrace and Lead Change." » Employees are excited by Moody's future prospects but want more clarity on their own future prospects and career progression. Action: As part of Moody's new approach to performance management, a culture of continuous feedback will be promoted and supported throughout the organization. More frequent feedback and conversations focused on growth and development will help employees to advance in their roles and in their careers overall. <p>Compensation</p> <p>An important part of Moody's compensation philosophy is ensuring that compensation is aligned to local markets. Moody's participates in salary surveys in each of its markets (a market can be considered a country, or a region or industry within a country). Every year, Moody's and the other survey participants anonymously submit compensation data for each job, based on job descriptions. An independent consulting firm aggregates and scrutinizes this information to ensure compliance with all data privacy regulations. Moody's receives the aggregated data and analyzes its pay rates in comparison with those of the local market.</p> <p>Moody's updates its pay structures every year before the annual salary review process, building a range for each salary band in each market.</p> <p>Benefits</p> <p>Moody's benefits are benchmarked routinely against the market. Moody's conducts benchmarking using industry-specific data wherever possible. Moody's also has three benefits-related management-level governance committees, described below.</p> <p>Management Benefits and Compensation Committee (MBCC): The MBCC, established in 1998, regularly reviews global benefit plans and proposals for benefit plan implementation, termination or any other changes that don't align with or otherwise have implications for Moody's global benefits strategy across the following subject plans: Retirement Account (U.S. Qualified Defined Benefit Plan), Profit Participation Plan (U.S. Qualified Defined Compensation 401(k) plan), Deferred Compensation Plan (Non-Qualified), Non-U.S. Retirement Plans, Career Transition Plan, Employee Stock Purchase Plan and Health and Welfare Plans.</p> <p>Appeals Committee (AC): The AC, established in 1998, has the final authority and responsibility under each subject plan for determining benefit claims by plan participants. Any employee, member or beneficiary may request that the AC review and reconsider benefits determination. The MBCC ensures that the applicant receives written notice of the decision by the AC.</p> <p>Asset Management Committee (AMC): The AMC, established in 2000, is responsible for controlling, managing and investing the assets of the U.S. retirement plans. This includes selecting acceptable asset classes, defining allowable ranges of holdings by asset class and by individual investment managers as a percentage of assets, defining acceptable securities within each asset class and establishing investment performance expectations. The AMC communicates the policy and performance expectations to investment managers and reviews the investment performance of the retirement plans regularly to ensure the policies are being followed and progress is being made toward achieving the performance objectives.</p>

GRI Disclosure

Moody's Response

401-1
New employee hires and
employee turnover

5 8 10

New employee hires¹

	2018	2019	2020
New employee hires	1,368	1,771	1,421

Employee turnover rate¹

	2019	2020
Voluntary turnover	12%	7%
Involuntary turnover	3%	4%

The decline in the Company's voluntary turnover rates in 2020 compared to 2019 is likely due to the effects of COVID-19 on the labor market.

¹ The data represents employees that are integrated in Moody's IT systems. For 2020, this coverage is approximately 85% of total Moody's full-time equivalent employees as reported in the 2020 Form 10-K. Non-employees (such as non-payroll consultants) and temporary employment workers (such as interns) are excluded from the analysis. Headcount as of December 31 of respective year.

401-2
Benefits provided to full-time
employees that are not
provided to temporary or
part-time employees

3 5 8

Moody's sees its investments in benefits as investments in its people. Moody's is committed to providing competitive benefits programs designed to care for its employees and their families. Moody's comprehensive programs offer resources and support for physical, mental and financial well-being. Moody's promotes preventive care and awareness and supports a healthy lifestyle. Moody's also believes that promoting financial wellness and supporting flexible work arrangements are critical to its efforts to create a work atmosphere in which people feel valued and inspired to give their best.

Beyond delivering health, welfare, retirement benefits and paid vacation and sick days, Moody's extends other benefits to support its employees and their families. Moody's has introduced new initiatives and continues to enhance existing ones, such as parental leave, workplace flexibility and educational support.

Moody's benefits are extensive and inclusive, and many are also available to its employees' partners and children. Benefits offered to employees differ by work location; however, its benefits package can include:

- » medical;
- » dental;
- » vision;
- » flexible spending account;
- » health savings account;
- » employee assistance program;
- » retirement savings/pension termination indemnities;
- » life insurance;
- » short-term and long-term disability insurance;
- » business travel accident coverage;
- » flexible work arrangements;
- » paid time off (vacation, personal days, sick leave, marriage leave, child care leave, compassionate leave, study leave, military leave and holidays);
- » maternity leave;
- » parental leave;
- » educational assistance;
- » adoption assistance;
- » surrogacy assistance;
- » back-up child and elder care;
- » commuter benefit plan;
- » club memberships;
- » parking and transportation allowances;
- » car allowances;
- » meal benefits;
- » child care support;
- » discounted employee stock purchase plan;
- » employee referral program;
- » financial planning;
- » matching gifts program for charitable contributions;
- » auto and property insurance coverage discounts;
- » long-service awards; and
- » free or discounted cultural memberships.

401-3
Parental leave

5 8

Moody's U.S. parental leave benefit provides up to ten weeks of paid leave for the birth/adoption of a child. This benefit is in addition to any short-term disability benefit policy due to pregnancy or the birth of a child.

GRI Disclosure	Moody's Response
GRI 403 Occupational Health and Safety (2018)	
103-1 Explanation of the material topic and its Boundary	<p>Moody's is committed to protecting the safety, health and well-being of all employees and individuals in its workplaces, and expects its employees to take reasonable care to further those efforts. Moody's offers its employees a comprehensive range of programs with resources and support for physical, mental and financial well-being, and supports flexible work arrangements.</p> <p>Moody's believes it is essential to:</p> <ul style="list-style-type: none"> » create a workplace where employees feel valued and inspired; » provide an environment that fosters a culture of independence, inclusion and intellectual leadership; and » support peer collaboration and professional growth. <p>Moody's non-financial materiality assessment identified health and well-being as a material topic. Moody's defines the topic as the efficacy of policies and practices to maintain a healthy and safe work environment, as well as the Company's success in ensuring the physical and mental well-being of its employees.</p> <p>For more information, see Moody's 2020 Stakeholder Sustainability Report, Our material sustainability topics and Health and well-being, pages 7, 13.</p>
103-2 The management approach and its components	<p>Moody's is committed to protecting the safety, health and well-being of all employees and individuals in its workplaces, and expects its employees to take reasonable care to further those efforts. As a result, Moody's is committed to complying with all environmental, health and safety laws and regulations of all countries and localities in which it does business. The Company believes it is Moody's obligation to respect the environment in the worldwide communities where it operates and its employees live. Moody's strives to operate in a way that protects and preserves its environment and natural resources and maintains a healthy, safe and environmentally sound workplace. Occupational health and safety programs are managed at the local office level. Due to the nature of Moody's business its employees are not subject to hazardous occupational activities that pose high health and safety risks.</p> <p>Moody's strives to create a healthy, supportive culture, where every person can bring their authentic self to work. To this end, Moody's offers its employees a comprehensive range of programs with resources and support for physical, mental and financial well-being, and supports flexible work arrangements. Due to the COVID-19 pandemic, Moody's closed certain offices in 2020 and prioritized the health and safety of its employees by transitioning to remote work, making sure that all employees have the information and the technology they need to work effectively from home.</p> <p>To promote well-being during the pandemic, a number of teams participated in "No Meeting Fridays" and co-ordinated holiday weeks or time off. Employees at assistant vice president (AVP)-level or below received a stipend to help improve their ability to work remotely, and all employees received a year-end "well-being allowance" to use at their discretion to support mental or physical well-being.</p> <p>In 2020, Moody's launched a virtual well-being and development series, Moments that Matter, providing employees and managers with education and empowerment on mental health, resilience and thriving in an increasingly virtual world through articles, videos and weekly live webinars. Developed as a response to the pandemic, it will continue as part of Moody's range of wellness tools. In 2020, Moody's held over 70 sessions that together garnered more than 44,000 views.</p> <p>The COVID-19 pandemic has affected many people's mental health and has created new barriers for people already suffering from mental illness. To address this issue, Moody's launched Moody's Minds, a BRG. Moody's Minds supports education and empowerment around mental health to ensure that employees and managers feel confident to support each other's mental health in the workplace.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » Code of Business Conduct, page 18 » 2020 Stakeholder Sustainability Report, Health and well-being, page 13

GRI Disclosure	Moody's Response
103-3 Evaluation of the management approach	<p>All regional health and safety reporting requirements are provided by way of the local office facilities or office management team. Third-party providers in the global real estate group also track information on their employees on health and safety items such as injuries, employee hours worked and any local authority having jurisdictional reporting requirements such as the Occupational Safety and Health Administration (OSHA) in the U.S.</p> <p>Through Moody's Human Resources department and Organizational Effectiveness team, the Company takes a data-led approach to understanding and improving the health and well-being of its employees by seeking regular feedback on the employee experience. In 2020, Moody's conducted four employee surveys that revealed excellent insights into the values and priorities of its employees, including useful health and well-being data:</p> <div data-bbox="382 418 1234 454" style="border: 1px solid black; padding: 5px;"> <p>80% of employees agreed Moody's took a genuine interest in their well-being in 2020.¹</p> </div> <p>¹ Unweighted average of favorability scores from April, May and September surveys. The favorability score is the percentage of employees that selected 4 (agree) or 5 (strongly agree).</p> <p>Moody's used the information collected from those surveys to shape Company initiatives. For example, when Moody's survey showed slightly lower scores related to management's communication with employees, Moody's managers responded by prioritizing communication, especially related to continued remote work and plans for returning to the office.</p> <p>In 2020, job security was the number one priority for employees according to survey data, with employees seeking better career advancement opportunities and more transparent processes related to progression. Moody's management team regularly reviews its policies and procedures to find ways to further support employee health and well-being.</p>
403-1 Occupational health and safety management system 8	<p>Moody's is committed to protecting the safety, health and well-being of all employees and individuals in its workplaces, and expects its employees to take reasonable care to further those efforts. As a result, Moody's is committed to complying with all environmental, health and safety laws and regulations of all countries and localities in which it does business. The Company believes it is Moody's obligation to respect the environment in the worldwide communities where it operates and its employees live. Moody's strives to operate in a way that protects and preserves its environment and natural resources and maintains a healthy, safe and environmentally sound workplace. Occupational health and safety programs are managed at the local office level. Additionally, all regional health and safety reporting requirements are provided by way of the local office facilities or office management team. Third-party providers in the global real estate group also track information on their employees on health and safety items such as injuries, employee hours worked and any local authority having jurisdictional reporting requirements such as OSHA in the U.S.</p>
403-2 Hazard identification, risk assessment and incident investigation 8	<p>Site-based inspections of workspaces are performed at offices, based on and in accordance with local requirements. All applicable inspections are reported and filed with the authority having jurisdiction for those offices with the endorsement of work councils. This may include items such as safety and fire inspections.</p> <p>In 2021, as part of Moody's Return to Office strategy, it has entered into a global master service agreement with Société Générale de Surveillance (SGS) Global, a leading inspection, verifications, testing and certification company in the area of environmental health and safety. They have offices globally in nearly every location Moody's has office space. This firm is under contract to perform site-based safety inspections of the offices and review current policy and procedures prior to reopening for any corrective actions to be undertaken prior to Moody's employees' re-entry. The results of the site-based inspections (and in some cases follow-up inspections) are intended to identify any gaps in what Moody's provides to its employees in a particular office and provide clear guidelines for improvement action if necessary. SGS benchmarks performance against requirements by regional jurisdiction and peer companies in the region.</p> <p>Employees are encouraged to contact the Moody's Integrity Hotline to report work-related hazards and hazardous situations in the workplace. Additionally, in some of Moody's larger sites and where it has a third-party facility presence through its partnership with Jones Lang LaSalle, site safety inspections and near miss reporting are tracked in the work order system and reported in their business reports to Moody's.</p> <p>In 2020, Moody's further improved its global ergonomics program with online assessments available for in-office and at-home workers and information sessions on proper workstation setups for employees through Moody's Moments that Matter series.</p>

GRI Disclosure	Moody's Response
403-3 Occupational health services 8	<p>Moody's strives to create a healthy, supportive culture, where every person can bring their authentic self to work. To this end, Moody's offers its employees a comprehensive range of programs with resources and support for physical, mental and financial well-being, and supports flexible work arrangements. Due to the COVID-19 pandemic, Moody's closed certain offices in 2020 and prioritized the health and safety of its employees by transitioning to remote work, making sure that all employees have the information and the technology they need to work effectively from home.</p> <p>To promote well-being during the pandemic, a number of teams participated in "No Meeting Fridays" and co-ordinated holiday weeks or time off. Employees at AVP level or below received a stipend to help improve their ability to work remotely, and all employees received a year-end "well-being allowance" to use at their discretion to support mental or physical well-being.</p> <p>Looking ahead, Moody's is adapting its operations in a way that better serves the needs of its employees. The "Workplace of the Future" project, initiated in 2020, is enhancing Moody's technology and IT infrastructure and implementing an enhanced flexible work model that will allow increased part and full-time remote work that may allow Moody's to reduce office space, employee commuting and business travel over the long term.</p> <p>In 2020, Moody's launched a virtual well-being and development series, Moments that Matter, providing employees and managers with education and empowerment on mental health, resilience and thriving in an increasingly virtual world through articles, videos and weekly live webinars. Developed as a response to the pandemic, it will continue as part of Moody's range of wellness tools.</p>
403-4 Worker participation, consultation, and communication on occupational health and safety 8 16	<p>Employee communications and engagements related to occupational health and safety programs are managed at the local office level. In addition, Moody's periodically surveys its employees to understand and improve employee health and well-being.</p>
403-5 Worker training on occupational health and safety 8	<p>Employee trainings related to occupational health and safety are managed at the local office level.</p> <p>In 2020, Moody's launched a virtual well-being and development series, Moody's Moments that Matter, providing employees and managers with education and empowerment on mental health, resilience and thriving in an increasingly virtual world through articles, videos and weekly live webinars.</p> <p>The COVID-19 pandemic has affected many people's mental health and has created new barriers for people already suffering from mental illness. To address this issue, the Company launched Moody's Minds, a business resource group (BRG). Moody's Minds supports the education and empowerment around mental health to ensure that employees and managers feel confident to support each other's mental health in the workplace.</p>

GRI Disclosure	Moody's Response
403-6 Promotion of worker health 3	<p>Moody's sees its investment in benefits as an investment in its employees. Moody's seeks to provide programs to protect its employees and their families in the event of illness, and offer employees the value, flexibility and choice to help them build a financially secure future. Benefits offered to employees differ by work location; however, Moody's benefits package can include:</p> <ul style="list-style-type: none"> » medical; » dental; » vision; » flexible spending account; » health savings account; » employee assistance program; » life insurance; and » short-term and long-term disability insurance. <p>To promote well-being during the pandemic, a number of teams participated in "No Meeting Fridays" and co-ordinated holiday weeks or time off. Employees at AVP level or below received a stipend to help improve their ability to work remotely, and all employees received a year-end "well-being allowance" to use at their discretion to support mental or physical well-being.</p> <p>In 2020, Moody's launched a virtual well-being and development series, Moments that Matter, providing employees and managers with education and empowerment on mental health, resilience and thriving in an increasingly virtual world through articles, videos and weekly live webinars. Developed as a response to the pandemic, it will continue as part of Moody's range of wellness tools. In 2020, Moody's held over 70 sessions that together garnered more than 44,000 views. Additionally, Moody's further improved its global ergonomics program with online assessments available for in-office and at-home workers and information sessions on proper workstation setups for employees through Moody's Moments that Matter.</p>
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 8	<p>Moody's is committed to protecting the safety, health and well-being of all employees and individuals in its workplaces, and expects its employees to take reasonable care to further those efforts. As a result, Moody's is committed to complying with all environmental, health and safety laws and regulations of all countries and localities in which it does business. The Company believes it is Moody's obligation to respect the environment in the worldwide communities where it operates and its employees live. Moody's strives to operate in a way that protects and preserves its environment and natural resources and maintains a healthy, safe and environmentally sound workplace. Due to the nature of Moody's business, its employees are not subject to hazardous occupational activities that pose high health and safety risks.</p>
403-8 Workers covered by an occupational health and safety management system 8	<p>Moody's is committed to protecting the safety, health and well-being of all employees and individuals in its workplaces, and expects its employees to take reasonable care to further those efforts. As a result, Moody's is committed to complying with all environmental, health and safety laws and regulations of all countries and localities in which it does business. The Company believes it is Moody's obligation to respect the environment in the worldwide communities where it operates and its employees live. Moody's strives to operate in a way that protects and preserves its environment and natural resources and maintains a healthy, safe and environmentally sound workplace. Occupational health and safety programs are managed at the local office level. Additionally, all regional health and safety reporting requirements are provided by way of the local office facilities or office management team.</p>
403-9 Work-related injuries 3 8 16	<p>Occupational health and safety programs are managed at the local office level. Additionally, all regional health and safety reporting requirements are provided by way of the local office facilities or office management team. Due to the nature of Moody's business, its employees are not subject to hazardous occupational activities that pose high health and safety risks.</p>
403-10 Work-related ill health 3 8 16	<p>Occupational health and safety programs are managed at the local office level. Additionally, all regional health and safety reporting requirements are provided by way of the local office facilities or office management team. Due to the nature of Moody's business, its employees are not subject to hazardous occupational activities that pose high health and safety risks.</p>

GRI Disclosure	Moody's Response
GRI 404 Training and Education	
103-1 Explanation of the material topic and its Boundary	<p>Moody's relies on top talent to meet customer and stockholder demands. A multigenerational workforce, global pressures, industry disruptions and talent competition are all forces continuing to drive prioritization of talent management across Moody's. Training and education are only two parts of Moody's talent management framework, which includes talent acquisition, performance management, total rewards, succession planning and leadership development. Each of these areas supports Moody's business strategy and Moody's culture as a diverse and inclusive place to work. Moody's views training and education as an investment in its people that aligns their professional goals and interests with the success of the firm.</p> <p>Training and education:</p> <ul style="list-style-type: none"> » help Moody's achieve its mission and business objectives; » support Moody's core values and beliefs; » ensure that Moody's employees have professional and technical knowledge and skills to deliver excellence to its clients, customers and market participants; and » attract and retain top talent. <p>Moody's non-financial materiality assessment identified training and upskilling as a material topic. Moody's defines the topic as how the Company provides opportunities to employees to access training and education in skills that improve employability in the future, such as digital skills.</p> <p>For more information, see Moody's 2020 Stakeholder Sustainability Report, Our material sustainability topics and Training and upskilling, pages 7, 13.</p>
103-2 The management approach and its components	<p>Moody's employees participate in continuous learning and development that starts with onboarding and continues throughout their careers. The opportunities to learn and grow – as people and professionals – are expansive and include role-specific technical and functional skills, professional and management skills and leadership development.</p> <p>Moody's is the place to learn from some of the best minds in finance and technology through peer and informal mentoring and on-the-job training. In addition to live, instructor-led training, Moody's in-house training groups use new and effective learning technologies – such as online learning, micro-learning (learning in small bites), video-based learning and social learning tools – to reach its geographically dispersed employees. Moody's on-demand self-study learning libraries focus on a variety of topics, ranging from financial and technical topics to management skills and cultural intelligence.</p> <p>In addition, employees pursuing higher education can take advantage of Moody's educational assistance program, which reimburses them for job-related educational costs.</p> <p>Learning Council</p> <p>Moody's Learning Council is led by the learning leaders in the Company, including those from MIS (Professional Development & Training), MA Learning, Compliance, Diversity & Inclusion and Global Talent Management. Through the Council, employees can provide feedback and ideas to any of the learning leaders to identify ways to enhance training and education at the firm.</p> <p>For more information, see Moody's 2020 Stakeholder Sustainability Report, Diversity, equity and inclusion and Training and upskilling, pages 11, 13.</p>
103-3 Evaluation of the management approach	<p>Moody's uses a number of approaches to evaluate the effectiveness of its training and education programs. Among these are focus groups, written and electronic surveys following the completion of e-learning and instructor-led programs, and needs assessments that are conducted by the various learning groups to evaluate the effectiveness of learning programs.</p> <p>The needs assessments ask employees and their managers to evaluate:</p> <ul style="list-style-type: none"> » the effectiveness of training for a variety of skill areas; » the importance of a particular skill area in helping the individual or the business meet their objectives; and » individuals' preferences in terms of training modality. <p>Moody's also gathers input and feedback – directly from managers and through surveillance instruments – to assess effective application of learned skills and knowledge in the workplace.</p>

GRI Disclosure

Moody's Response

404-1
Average hours of training per
year per employee

4 5 8 10

Absolute training hours

	2019	2020
Absolute number of training hours ^{1,2}	251,109	205,419

Average training hours^{1,2}

	2019	2020	YoY change
Average training hours per employee	24	21	-3
Officer ³	28	21	-7
Non-officer	21	21	0

The decrease in training hours in 2020 is attributed to shorter-format training and data collection limitations due to the COVID-19 pandemic and the transition to 100% virtual learning, as well as changes in data methodology.

1 The data represents employees that are integrated into Moody's IT systems. For 2020, this coverage is approximately 85% of the total Moody's full-time equivalent employees as reported in the 2020 Form 10-K. Non-employees (such as non-payroll consultants) and temporary employment workers (such as interns) are excluded from the analysis.

2 Data includes hours captured in the Moody's Knowledge Portal and online training programs related to topics such as compliance, professional development and DE&I. In addition, leadership development hours were included for the first time in 2020.

3 Officer-level data is calculated using the job categories: executives, senior managers, mid-level managers and first-level managers. The data is based on Company records and may involve estimates or assumptions.

404-2
Programs for upgrading
employee skills and transition
assistance programs

8

Moody's supports the development of its leaders through each important transition in their careers – aligning learning and resources to strategic direction and key role challenges to build the skills of the future. Moody's training and upskilling programs include:

- » Moody's new Virtual Leadership Essentials program for new and front-line managers teaches fundamental management skills and how to lead by enhancing self-awareness and personal effectiveness. In 2020, Moody's started training 269 managers through this program.
- » The Credit Academy is a multilevel, progressive developmental training program targeted to jump-start and expedite skill development for junior analytical staff at MIS. The program includes onboarding, job readiness and career progression training across the full spectrum of analytical and professional skills required of Moody's analytical staff.
- » The Finance organization engaged in a multilevel learning and development program to reshape the way Moody's works today to modernize to the "Finance of the Future." The program provided development opportunities across three areas: digital savvy; finance of the future; and leadership at all levels.
- » The Cornell FinTech and Innovation Program was launched in December 2020 as a joint venture between Moody's and Cornell University. The program will include more than 40 employees from across the business, with each participant receiving a certificate at the completion of the program. The program includes e-learning and live workshops that will culminate in participants putting innovative ideas into action within Moody's.

Employees pursuing higher education can take advantage of an educational assistance program that reimburses them for job-related educational costs up to \$15,000 per year.

Moody's 16-week paid RE-IGNITE Initiative helps relaunch the careers of individuals, especially mothers, who have taken a minimum two-year break from the workforce. Moody's aims to increase diverse representation, attract top talent and tackle the challenges of re-entering the workforce with support and mentorship.

To continue to help Moody's customers solve the most complex problems of Moody's is training its employees with deep domain expertise in ESG in subjects like climate risk and new developments from Moody's ESG Solutions.

Transition assistance programs provided by Moody's to support employees who are retiring or who have been terminated can include:

- » Pre-retirement planning for intended retirees: Moody's has a "Phased Retirement" program to help eligible employees (aged 55 and over with at least 5 years of continuous employment at Moody's) in the U.S. and U.K. who are retiring from Moody's transition to a part-time schedule and build in time for succession planning and knowledge transfer. The program offers a gradual transition from work to retirement, giving employees time to explore their next phase while also helping the business plan and prepare for succession.
- » Severance pay, which takes into account employee age and years of service: The Moody's Corporation Career Transition Plan is intended to provide certain eligible employees of Moody's Corporation and its participating affiliates severance benefits in the event of the employee's eligible termination under the terms and conditions set forth in the Plan.
- » Job placement services: For specific terminations, Moody's offers outplacement services (mentioned in the Career Transition Plan).

For more information, see Moody's 2020 Stakeholder Sustainability Report, Training and upskilling, page 13.

GRI Disclosure	Moody's Response
404-3 Percentage of employees receiving regular performance and career development reviews 5 8 10	<p>In 2020, Moody's implemented a consistent performance management approach: GPS. GPS will be rolled out in 2021 and emphasizes Moody's commitment to employee growth and development through a common approach, dynamic objective settings, refreshed success factors and continual feedback. An integral focus of GPS is enabling managers and employees and incorporating the new set of behaviors into Moody's Leadership Success Profile and leadership programs.</p>
GRI 405 Diversity and Equal Opportunity and 406 Non-Discrimination	
103-1 Explanation of the material topic and its Boundary	<p>Moody's believes that an inclusive, equitable and diverse workplace that draws on the experiences, background and opinions of all its people is fundamental to its success. Moody's business benefits from having many different perspectives. That is why the Company actively promotes diversity at every level of Moody's. Moody's works hard to ensure that all employees, from Company leaders to new hires, are respected, included and empowered.</p> <p>Moody's non-financial materiality assessment identified DE&I as a material topic. Moody's defines the topic as the Company's ability to ensure employees from diverse backgrounds, genders and ethnicities are offered equal opportunities at all levels of the Company.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » Diversity, Equity and Inclusion Report 2020 » 2020 Stakeholder Sustainability Report, Our material sustainability topics and Diversity, equity and inclusion, pages 7, 11 <p>This management approach covers GRI 405: Diversity and Equal Opportunity and GRI 406: Non-Discrimination.</p>
103-2 The management approach and its components	<p>Moody's ambition</p> <p>Moody's DE&I ambition is to build an engaged workforce that represents the diverse communities the Company seeks to serve and the broad range of suppliers it partners with. Moody's has a strong focus on empowering female leaders on a global scale, increasing the racial and ethnic diversity of its employees and leaders in the United States and creating inclusive economic systems that nurture social equity.</p> <p>Moody's strategy</p> <p>Moody's global DE&I strategic framework aims to drive a culture of diversity, equity and inclusion across four key areas: Moody's workforce, workplace, customers and communities. The framework aligns to the Company's business priorities, talent strategy, culture and long-term value proposition, and provides a structured approach to advance its DE&I strategy and goals.</p> <p>Moody's goals</p> <p>As part of Moody's commitment to diversity, equity and inclusion, in 2021, the Company established three goals to increase representation across its global workforce. Moody's is voluntarily disclosing these goals because they are important to its business and helpful to its stakeholders. These goals are:</p> <ul style="list-style-type: none"> » 50% minimum representation of women globally at entry-level programs annually;¹ » 8% increase in the number of women globally at officer levels by 2025 as compared to 2020;² and » 30% increase in the number of U.S. Black and Latinx leaders at senior levels by 2025 as compared to 2020.³ <p>1 Entry-level programs include Moody's summer internship annual hiring, MA Technology Rotational Program (MATR) annual hiring, and Associate Analyst 3 hires in MIS Ratings and Research Support (RRS) on an annual basis.</p> <p>2 Officer levels include Assistant Vice President (AVP), Assistant and Associate Director and above.</p> <p>3 Senior levels include Senior Vice President (SVP), Senior Director and above.</p> <p><i>Moody's is an equal opportunity employer and does not make employment decisions on the basis of race, ethnicity, gender or any other protected characteristic. Moody's recognizes that many different factors – for example, business growth and related new openings, successful recruitment of diverse applicants and turnover – will play key roles in whether or not the Company achieves its goals. Where it is within its control, the Company is focusing on each of these factors to create a robust diversity, equity and inclusion strategy that reflects its desire to be a market leader in this space.</i></p>

GRI Disclosure	Moody's Response																					
103-2 The management approach and its components (continued)	<p>Management approach of the Diversity Council</p> <p>Moody's global Diversity Council created and oversees the DE&I strategy and goals, which span the three main areas of its business – MIS, MA and Moody's Shared Services (MSS) – across the Americas, Europe, the Middle East and Africa (EMEA) and Asia-Pacific (APAC).</p> <p>Moody's is committed to making DE&I part of the fabric of its organization. And its commitment starts with its leadership. Moody's President and CEO Robert Fauber chairs the global Diversity Council, a body that oversees Moody's DE&I strategy.</p> <p>In 2020, Moody's established a new DE&I framework centered around its Diversity Council and DE&I Ambassadors. By setting policies and targets, the Company is advancing diverse representation, racial equity, gender parity and cultural competency at Moody's and in the communities where its employees live and work.</p> <p>A key step toward global racial justice at Moody's in 2020 was its launch of regional diversity councils in EMEA and APAC, to ensure its strategy is effectively adapted and implemented in ways that are authentic and resonate with local policies and customs.</p> <p>Moody's is dedicated to balancing its gender representation at all levels of its business. Moody's has put in place activities and programs to attract and develop female leaders. These include providing leadership training for women, gender-balanced recruiting and flexible work arrangements for all staff, as well as recruiting and retaining the most talented employees and building a strong pipeline of talent.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none">» Diversity, Equity and Inclusion Report 2020» 2020 Stakeholder Sustainability Report, Our material sustainability topics and Diversity, equity and inclusion, pages 7, 11																					
103-3 Evaluation of the management approach	<p>Moody's Diversity Council is composed of committed senior leaders who often have a connection to DE&I or have been engaged with Moody's BRGs. The Council meets quarterly and focuses on strategic DE&I priorities to ensure that Moody's is an employer of choice for all.</p> <p>Moody's is one of the first companies to sign up to the new Black Equity at Work certification, launched in 2020 by Management Leadership for Tomorrow. To achieve this certification, Moody's will create and submit a comprehensive and rigorous plan to accelerate Black representation and contribute to racial justice efforts.</p> <p>In 2020, Moody's launched the Be Counted Initiative, which accounts for the proportion of LGBTQ+ employees in its workforce through voluntary self-identification. The self-identification data is used to review and boost Moody's leadership development programs, employee benefit offerings, recruitment efforts and more. Moody's senior management and Board of Directors receive the data in an aggregated and anonymized form.</p> <p>Awards and recognition</p> <p>Numerous external organizations and media around the world have recognized Moody's diversity efforts to foster an environment in which all its employees can succeed as their authentic selves. These recognitions and awards continue to demonstrate Moody's unwavering commitment to DE&I. See Moody's full list of awards.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none">» Diversity, Equity and Inclusion Report 2020» 2020 Stakeholder Sustainability Report, Our material sustainability topics and Diversity, equity and inclusion, pages 7, 11																					
405-1 Diversity of governance bodies and employees	<p>Gender statistics: Board of Directors (as of respective annual stockholder meeting)</p> <table><tr><th></th><th>2020</th><th>2021</th></tr><tr><td>Female</td><td>3</td><td>3</td></tr><tr><td>Male</td><td>7</td><td>6</td></tr></table> <p>Race and ethnicity statistics: Board of Directors (as of respective annual stockholder meeting)</p> <table><tr><th></th><th>2020</th><th>2021</th></tr><tr><td>Underrepresented groups¹</td><td>1</td><td>2</td></tr><tr><td>White</td><td>8</td><td>7</td></tr><tr><td>Not disclosed</td><td>1</td><td></td></tr></table> <p><small>1 Underrepresented groups include those who identified as Asian, Hispanic, Black, Native American/Alaskan Native, Hawaiian/Other Pacific Island or two or more races.</small></p>		2020	2021	Female	3	3	Male	7	6		2020	2021	Underrepresented groups ¹	1	2	White	8	7	Not disclosed	1	
	2020	2021																				
Female	3	3																				
Male	7	6																				
	2020	2021																				
Underrepresented groups ¹	1	2																				
White	8	7																				
Not disclosed	1																					

GRI Disclosure

Moody's Response

405-1
Diversity of governance
bodies and employees

5 8

(continued)

Gender statistics: global workforce¹

Employee category ²	2018		2019			2020		
	Female	Male	Female	Male	Not disclosed	Female	Male	Not disclosed
Executives	26%	74%	30%	70%		33%	67%	0%
Senior managers	33%	67%	33%	67%		33%	67%	0%
Mid-level managers	32%	68%	33%	67%		33%	67%	0%
First-level managers	39%	61%	37%	63%		37%	63%	0%
Non-managers	50%	50%	48%	52%		48%	51%	1%
Total			41%	58%	1%	41%	58%	1%

Race and ethnicity statistics: United States¹

	2019	2020
White	49%	49%
Underrepresented groups ³	46%	46%
Not disclosed	5%	5%

Race and ethnicity statistics: United States officers and managers⁴

	2020
White	53%
Underrepresented groups ³	43%
Not disclosed	4%

1 The data represents employees that are integrated into Moody's IT systems. For 2020, this coverage is approximately 85% of the total Moody's full-time equivalent employees as reported in the 2020 Form 10-K. Non-employees (such as non-payroll consultants) and temporary employment workers (such as interns) are excluded from the analysis. Headcount as of December 31 of respective year.

2 Executives represents managing directors, executive directors and CEO direct reports; senior managers represents senior vice presidents and senior directors; mid-level managers represents vice presidents and directors; first-level managers represents assistant vice presidents and associate directors; non-managers represents managers, associates and analysts.

3 Underrepresented groups include those who identified as Asian, Hispanic, Black, Native American/Alaskan Native, Hawaiian/Other Pacific Island or two or more races.

4 Officers and Managers are calculated using the job categories: executives, senior managers, mid-level managers and first-level managers. The data is based on Company records and may involve estimates or assumptions.

Moody's is an equal opportunity employer and does not make employment decisions on the basis of race, ethnicity, gender or any other protected characteristic. Moody's recognizes that many different factors – for example, business growth and related new openings, successful recruitment of diverse applicants and turnover – will play key roles in whether or not the Company achieves its goals. Where it is within its control, the Company is focusing on each of these factors to create a robust diversity, equity and inclusion strategy that reflects its desire to be a market leader in this space.

405-2
Ratio of basic salary and
remuneration of women
to men

5 8 10

Moody's compensation programs are designed to be structured fairly, aligned to local markets, driven and differentiated by performance and understood and valued by all. Essential to Moody's compensation philosophy is its commitment to paying all of its employees equitably and fairly. As part of that commitment, Moody's studies pay equity annually to identify any areas in the Company where women or, in the U.S., racial/ethnic underrepresented groups are not paid comparably to their peers. While no statistical analysis can account for all things that influence an employee's pay, Moody's considers meaningful factors such as job, family, location, educational level and seniority. When Moody's finds inequities in its pay practices, it makes the requisite adjustments. Each year Moody's reports its findings to its Board of Directors.

GRI Disclosure	Moody's Response
406-1 Incidents of discrimination and corrective actions taken 5 8	<p>Moody's has a longstanding policy of ensuring a work environment that respects the dignity and worth of each individual and is free from all forms of employment discrimination. Discrimination and harassment, including sexual harassment and other discriminatory harassment, is against the law and will not be tolerated by Moody's. This prohibition applies to all discrimination and harassment affecting the work environment, whether it occurs in the office, outside the office (e.g., at customer-related, Moody's-related, or after-hours events), or through the use of electronic communications, including electronic mail, voice mail, text messages and the internet, even if such use occurs on personal devices and during non-work hours.</p> <p>This policy prohibits discrimination and harassment not only as to employees, but also as to applicants for employment, interns (whether paid or unpaid), non-employees, customers, vendors and contractors providing services to Moody's in the workplace. A harasser can be a superior, a subordinate, a coworker or anyone in the workplace including an independent contractor, contract worker, vendor, customer or visitor. Harassment by non-employees (e.g., customers, independent contractors, vendors) is also prohibited to the extent that such harassment affects the work environment or interferes with the performance of work by Moody's employees. If an employee informs Moody's that they have been subject to or has witnessed discrimination or harassment in the workplace by a non-employee, appropriate actions will be taken.</p> <p>For more information, see Moody's Code of Business Conduct, pages 15–17.</p>
GRI 412 Human Rights Assessment	
103-1 Explanation of the material topic and its Boundary	<p>Moody's commitment to operating in an ethical and lawful manner, including to help protect human rights, serves as the foundation for its relationships with its employees, customers and suppliers, as well as the people in the countries and communities in which it operates. Moody's commitment to operating in an ethical and lawful manner includes protecting the basic dignity and human rights of its employees and the people in its supply chain.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » Human Rights Statement » Code of Business Conduct, page 15 » 2020 Stakeholder Sustainability Report, Our material sustainability topics, page 7
103-2 The management approach and its components	<p>In addition to the Human Rights Statement and the principles and requirements within Moody's Code of Business Conduct, Moody's issues a Modern Slavery and Human Trafficking Statement annually that sets out its approach to preventing these practices in its workforce and supply chain.</p> <p>Moody's Supplier Code of Conduct describes its expectations of incumbent and prospective suppliers in labor practices, employee health and safety, diversity, equity and inclusion, and other areas relevant to human rights within Moody's supply chain.</p> <p>Moody's offers equal opportunity to all qualified people. Moody's believes a workforce that represents an array of backgrounds and experiences helps create an environment that maximizes each employee's contribution, widens the leadership pipeline and enhances its work, including the quality of its opinions, products and services. Moody's is dedicated to maintaining a work environment that is open, inclusive and fair for all and to promoting diversity, equity and inclusion in all of its global workplaces. Moody's does not tolerate conduct that is in violation of its Code of Business Conduct, and takes appropriate disciplinary action, up to and including termination of employment, against those who engage in such conduct.</p> <p>For more information, see Moody's 2020 Stakeholder Sustainability Report, Responsible sourcing, page 10.</p>
103-3 Evaluation of the management approach	<p>Moody's issues a Modern Slavery and Human Trafficking Statement annually that sets out its approach to preventing human rights violations in its workforce and supply chain. Moody's Code of Business Conduct is reviewed biannually. The section of the Code relevant to human rights matters is reviewed by the Legal department.</p> <p>Moody's suppliers are held to standards set forth in its Supplier Code of Conduct and Human Rights Statement, and Moody's is starting to monitor these sustainability risks in its key suppliers with Orbis, an MA database on private companies. Moody's expects to use Orbis to monitor sustainability risks in 100% of its key suppliers by the end of 2021.</p>
412-2 Employee training on human rights policies or procedures	<p>Moody's provides extensive compliance and ethics training both to new employees and to existing employees to help reinforce the resources available to them 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 Moody's codes of conduct and policies. This training is designed to help Moody's employees clearly understand and execute their ethical responsibilities and regulatory obligations.</p> <p>In 2020, employees completed more than 15,000 hours of training on topics such as halting harassment, the Modern Slavery Act and compliance.</p>

GRI Disclosure	Moody's Response
GRI 413 Local Communities	
103-1 Explanation of the material topic and its Boundary	<p>Moody's purpose is to bring clarity, fairness and knowledge to an interconnected world. Moody's believes that knowledge fuels opportunity, and the core of its business is to equip market participants with knowledge to understand risks and make informed decisions. Moody's approach to CSR is rooted in that same belief. Moody's seeks to empower people with the knowledge, resources and confidence they need to create a better future – for themselves, their communities and the environment.</p> <p>Empowering people with financial knowledge In the wake of the COVID-19 pandemic, Moody's is focused on helping to build an ecosystem of support where everyone can contribute to and benefit from inclusive growth. Through Reshape Tomorrow™, Moody's flagship financial inclusion initiative, it is delivering on its commitment to empower people with financial knowledge by providing small business owners with the tools and know-how to navigate the lending process.</p> <p>Helping young people reach their potential Today's students and young adults will drive the next wave of advances that shape society. Yet many young people struggle with economic impediments, cultural barriers, a lack of professional role models and other challenges that can hold them back. Moody's educational focus area is aligned with its global talent-acquisition efforts to ensure there is a clear pipeline of opportunities to help young people from untapped communities pursue careers in finance, technology and economics – and build brighter futures.</p> <p>Activating an environmentally sustainable future Many communities face challenges related to climate change and the just transition toward a lower-carbon economy. Moody's helps communities address these challenges by partnering with and providing grants to environmental organizations working at the local level.</p>
103-2 The management approach and its components	<p>Building upon Moody's core expertise, the CSR strategy is focused on empowering people with the knowledge, resources and confidence they need to create a better future – for themselves, their communities and the environment. Moody's core strategic priorities are:</p> <p>Empowering people with financial knowledge Moody's signature initiative, Reshape Tomorrow™, is designed to change the lives of people all over the world – particularly women and other untapped groups – by empowering them with information and insights to grow their businesses. In 2020, Moody's worked with seven Reshape Tomorrow™ partners in communities around the world, fulfilling an important but often overlooked role. To secure funding, entrepreneurs must first acquire the tools and know-how to navigate the financial world.</p> <p>Activating an environmentally sustainable future Amid increasingly frequent and severe climate-related disasters, Moody's prioritizes organizations with missions of environmental sustainability, particularly in emerging economies, when distributing its grants.</p> <p>Helping young people reach their potential Moody's is helping to fuel future innovation by reaching the leaders of tomorrow. It shares its expertise and provides opportunities across the globe for bright, diverse young minds (ages 15–24) to learn and to discover their full potential. Moody's believes its passion for making a difference can help ignite their own, leading to successful careers in finance, technology and economics.</p> <p>Solving problems such as pollution, poverty and lack of access to quality education requires innovative solutions. Beyond funding, Moody's CSR strategy intersects with its business principles. Moody's gains insight from various of its lines of business to identify ways to align its expertise, products, services and research with its approach to social investing. Externally, Moody's senior leaders sit on many of its grantees' boards of directors to provide strategic guidance. Moody's also often provides pro bono operational support and advice.</p> <p>In 2020, Moody's and The Moody's Foundation provided grants to the following organizations and programs: Conciencia, Brunel University, Career Ready, CareerTrackers, Columbia University, Cooke School and Institute, Echoing Green, Euro Challenge, Girls Inc., Girls Who Code, Gladesmore Community School, Habitat for Humanity Hong Kong, Hack the Hood, Hetrick-Martin Institute, Instituto Perene, Marviva, Network for Teaching Entrepreneurship (NFTE), NyföretagarCentrum, The Posse Foundation, Prep for Prep, Surfrider Foundation Europe, TechnoServe, The Fore Trust, Trees for Life, Village Capital, WEConnect International, WISE and Youth About Business.</p> <p>Eleven Moody's senior leaders sat on the governing boards of these organizations: CareerTrackers, CSR Europe, Foundation for Small Business Development, Girls Inc., Gladesmore Community School, Hetrick-Martin Institute, Junior Achievement Lithuania, Prep for Prep, Youth About Business and WEConnect International. Eleven senior leaders sat on advisory boards of these organizations: Asian Venture Philanthropy Network, Conciencia, Girls Inc., NFTE, The Posse Foundation, The Fore Trust, Village Capital, WEConnect International and Youth About Business.</p>

GRI Disclosure	Moody's Response
<p>103-2 The management approach and its components (continued)</p>	<p>Local volunteer and pro bono work</p> <p>Moody's also provides its employees opportunities to lend their time and expertise to causes they care about. Company-wide volunteer initiatives such as Moody's TeamUp® unite employees in shared locations to complete service projects in their local communities. Skill-based pro bono volunteering, such as Moody's Future Solutions™, is driven by employees' passions and skills as they seek to make lasting impacts in local communities.</p> <p>Moody's delivers against its core priorities by identifying and exploring innovative approaches to leveraging social investment assets, influence, products, services and employee expertise. A detailed breakdown of Moody's management structure at the global level follows.</p> <p>The Moody's Foundation is a separate legal entity and is governed by the Foundation's board, which approves social investments. The Moody's Foundation is the primary grant-making body to support the focus areas of the CSR strategy, including employee giving. The Moody's Foundation consists of the following members of management:</p> <p>Board of Directors John J. Goggins; Melanie Hughes; Arlene Isaacs-Lowe; Mark Kaye; David Platt; Stephen Tulenko; Anne Van Praagh.</p> <p>Officers (as of December 31, 2020) Cindy Ham, Assistant Secretary; Jeffrey Hare, Assistant Secretary and Vice President; Arlene Isaacs-Lowe, President; Scott Kapusta, Assistant Treasurer; Elizabeth McCarroll, Secretary and Vice President; Douglas Ryker, Treasurer; Jennifer Stula Rivera, Vice President.</p> <p>The CSR team ensures Moody's achieves its CSR objectives and demonstrates value to stakeholders. The goal of the team is to advance social investing initiatives by guiding opportunities to combine social investing and volunteer work with Moody's products, services and thought leadership.</p> <p>In 2020, in response to COVID-19, escalating economic consequences of the pandemic, growing awareness in the U.S. of racial injustices and several large-scale natural disasters, Moody's adjusted its charitable giving activities to support these urgent issues. Moody's also provided additional unrestricted funding and pro bono resources to bolster the capacity of its nonprofit partners to address their evolving and unprecedented needs. Examples include:</p> <ul style="list-style-type: none"> » Chairing the inaugural Council on Scaling Women-Owned Businesses in partnership with WEConnect International. The Council conducted research, explored the best solutions for scaling women-owned businesses and released a whitepaper in June 2020 titled "How to Rebuild Global Business for Good." The report identified the barriers facing female business owners and outlined a global strategy to support inclusive economic growth. » Following a successful global immersive pro bono program, The Moody's Foundation, MIS and SynTao Green Finance (a Moody's affiliate based in China) formed a partnership to provide additional research support to Tsinghua University's SDG Institute. The three-year partnership will be focused on developing an SDG/ESG assessment framework and promoting disclosure standardization in China. » Atsi Sheth, MD Credit Strategy, collaborated with Girls Inc. on their 2020 report, "Stronger, Smarter, Bolder: Girls Take the Lead," which analyzed the tools and resources girls need to obtain leadership roles in business and society. Supplementing the report with Moody's research on female labor force participation, gender diversity and female achievement in higher education helped to demonstrate the direct link between the work of Girls Inc. and outcomes in the financial sector and broader economy. <p>At a local level, Moody's has Impact Leaders, a network of Moody's employees who are interested in delivering Moody's CSR strategy in their local offices. Each office has Impact Chairs, who are nominated by Senior Leadership. The Impact Chairs have oversight of local Impact Leaders, who will work directly with the CSR team to shape, communicate and implement initiatives on behalf of their offices.</p> <p>Moody's also established a Product Integration and Thought Leadership workstream comprising senior-level representatives from MA and MIS, responsible for planning, innovating and implementing thought leadership and innovation in products and services with social investments and employee expertise.</p> <p>For more information, see Moody's:</p> <ul style="list-style-type: none"> » 2020 Stakeholder Sustainability Report, Communities, page 14

GRI Disclosure	Moody's Response																																
103-3 Evaluation of the management approach	<p>Measuring the impact of grants</p> <p>The Moody's Foundation Board oversees efforts to engage with and positively impact local communities. The progress of grantees toward standardized outcomes and the impact of Moody's investment over time are measured annually using the Mission Measurement Impact Genome Project® methodology and scorecard and Moody's own social investment key performance indicators (KPIs):</p> <ul style="list-style-type: none">» quality of evidence;» beneficiary demographics;» global footprint; and» job readiness outcomes for finance, technology and economics. <p>Tracking the value of products and services</p> <p>Moody's has developed a system of estimating the value of in-kind contributions with the business, namely MA and Internal Audit, as well as its Finance team. In 2020, in response to the pandemic and reflecting its corporate values to be a positive force in turbulent times, Moody's Corporation made available free of charge a number of products, services and employee resources. The value of its pro bono and in-kind activities was estimated to be \$21 million (as of December 31, 2020). The resources Moody's provided included: (i) access to its dedicated COVID-19 microsite, which provides content or trials of MA products; (ii) services to governmental and multilateral organizations seeking to formulate fiscal responses to address the economic impact of the pandemic; and (iii) products and services created specifically to help assess COVID-19 risks, e.g., the Know Your Supplier screening tool to help hospitals assess potential vendor risk.</p>																																
413-1 Operations with local community engagement, impact assessments, and development programs	<p>Moody's has grantee and employee engagement partnerships in 69% of the markets where it operates across the globe. Moody's does not conduct environmental impact assessments or development programs directly, but rather depends on its grantees to have included them as part of their program development process. The progress of grantees toward standardized social impact outcomes and the impact of Moody's investments over time are measured annually using the Mission Measurement Impact Genome Project® methodology and scorecard and Moody's own social investment KPIs.</p> <p>Social investment dollars</p> <table><tr><th></th><th>2018</th><th>2019</th><th>2020</th></tr><tr><td>The Moody's Foundation grants¹</td><td>\$4,200,000</td><td>\$3,100,000</td><td>\$3,832,400</td></tr><tr><td>Moody's charitable contributions²</td><td>\$1,100,000</td><td>\$908,900</td><td>\$1,791,800</td></tr><tr><td>Value of volunteer hours³</td><td>\$809,700</td><td>\$874,300</td><td>\$581,400</td></tr><tr><td>Number of employee volunteer hours³</td><td></td><td></td><td>7,842*</td></tr><tr><td>Employee-driven giving⁴</td><td>\$537,000</td><td>\$532,500</td><td>\$555,300</td></tr><tr><td>Dollars to support volunteer events⁵</td><td>\$127,200</td><td>\$168,600</td><td>\$143,700</td></tr><tr><td>Total social investment</td><td>\$6,773,900</td><td>\$5,584,300</td><td>\$6,904,600</td></tr></table> <p>1 Grants paid from the Foundation toward projects aligned with its strategy focus areas.</p> <p>2 Payments made by MIS, MA, MSS that have been classified as charitable contributions. Payments to support volunteer events and payments to the Foundation are reported separately.</p> <p>3 The data represents employees that are integrated into Moody's IT systems. For 2020, this coverage is approximately 85% of the total Moody's full-time equivalent employees as reported in the 2020 Form 10-K. Non-employees (such as non-payroll consultants) and temporary employment workers (such as interns) are excluded from the analysis. Headcount as of December 31 of respective year.</p> <p>4 Grants paid from The Moody's Foundation toward the Matching Gifts and Dollars for Doers programs.</p> <p>5 Charitable contribution payments made by Moody's to volunteering vendors.</p> <p>*Figure has been updated since original publication</p>		2018	2019	2020	The Moody's Foundation grants ¹	\$4,200,000	\$3,100,000	\$3,832,400	Moody's charitable contributions ²	\$1,100,000	\$908,900	\$1,791,800	Value of volunteer hours ³	\$809,700	\$874,300	\$581,400	Number of employee volunteer hours ³			7,842*	Employee-driven giving ⁴	\$537,000	\$532,500	\$555,300	Dollars to support volunteer events ⁵	\$127,200	\$168,600	\$143,700	Total social investment	\$6,773,900	\$5,584,300	\$6,904,600
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GRI Disclosure

Moody's Response

413-1
Operations with local
community engagement,
impact assessments, and
development programs
(continued)

The Moody's Foundation Programs¹

	2018	2019	2020
Empowering people with financial knowledge			
Invested \$		\$1.4 million	\$1.2 million
Female beneficiaries	60%	79%	64%
Activating an environmentally sustainable future			
Invested \$		\$355,000	\$352,000
Female beneficiaries	58%	53%	68%
Helping young people reach their potential			
Invested \$		\$1.2 million	\$1.1 million
Female beneficiaries	48%	54%	66%
All programs			
Invested \$		\$3 million	\$2.7 million
Female beneficiaries	49%	54%	68%
Low-income beneficiaries	48%	30%	84%
Job-readiness outcome in finance, technology and economics	43%	52%	96%
Number of countries served	50	99	72

¹ Measured using the Mission Measurement Impact Genome Project® methodology. Data is reflective of programming that was active in the calendar year and is not reflective of all Moody's grant partners.

413-2
Operations with significant
actual and potential
negative impacts on local
communities

1 2

Moody's actively seeks to engage with the communities in which it operates and to empower people with the knowledge, resources and confidence they need to create a better future – for themselves, their communities and the environment. Through a range of initiatives – both inside its workplaces and externally through its business and philanthropy – Moody's is making a positive impact that has the potential to benefit the planet. Since Moody's does not have factories or large operating facilities, and its operations do not require large amounts of land or resources from the communities in which it operates, its local community impacts are limited.

GRI Disclosure

Moody's Response

GRI 414 Supplier Social Assessment

103-1
Explanation of the material topic and its Boundary

Moody's is committed to conducting its business in accordance with the highest ethical standards and in compliance with applicable laws, rules and regulations. Moody's expects its vendors, suppliers, contractors and consultants to share its commitment and operate in compliance with applicable laws, rules and regulations, and with the standards of business conduct set forth in Moody's [Supplier Code of Conduct](#).

Social risks faced by Moody's and within its supply chain are low based on the characteristics of the business and the goods and services procured. However, engaging suppliers on social topics is important to Moody's stakeholders and a key element of its DE&I efforts.

For more information, see Moody's [2020 Stakeholder Sustainability Report](#), Responsible sourcing, page 10.

103-2
The management approach and its components

Moody's PSG partners with internal customers for the timely procurement of products and services, achieving cost reductions, providing actionable, data-driven financial insights, managing supplier risk and championing the engagement of a sustainable, diverse and inclusive supplier base. Through analytics and business intelligence, the PSG's Supplier Relationship Management team aims to add value and visibility to Moody's internal customers' business needs and challenges by implementing a robust governance model to drive enhanced supplier performance, collaboration and compliance to contractual requirements through measurement of key data points: quality, compliance, cost, risk, sustainability, diversity and innovation.

Moody's expects its suppliers to share its commitment to protect human rights and improve labor standards globally as reflected in its [Human Rights Statement](#) and [Modern Slavery and Human Trafficking Statement](#).

Moody's is committed to providing equal access to business opportunities. It is working to encourage diverse supplier spend through its Supplier Diversity program. This includes working with Moody's suppliers to encourage diverse spend within their own supply chains, helping Moody's track how they utilize diverse suppliers on its behalf.

Moody's is furthering its supplier diversity by pledging 5% of its 2021 addressable spend toward integrating more women-owned businesses into its supply chain.

Supplier diversity¹

	2018	2019	2020
Diverse supplier spend	8%	10%	8%
Women owned	0.2%	0.3%	4%
Small businesses	1%	1%	1%

The percentage of diverse supplier spend decreased in 2020 in part due to a significant increase in software and hardware spend with larger suppliers to pivot to remote working, as well as one of Moody's large suppliers losing its diversity status.

¹ Data includes addressable spend with diverse suppliers that Moody's does business with directly (Tier 1).

For more information, see Moody's:

» [Supplier Code of Conduct](#)

» [2020 Stakeholder Sustainability Report](#), Responsible sourcing, page 10

103-3
Evaluation of the management approach

Moody's issues a [Modern Slavery and Human Trafficking Statement](#) annually that sets out its approach to prevent human rights violations in its workforce and supply chain. Moody's [Code of Business Conduct](#) is reviewed biannually. The section of the Code relevant to human rights matters is reviewed by the Legal department.

Moody's suppliers are held to standards set forth in its [Supplier Code of Conduct](#) and [Human Rights Statement](#); Moody's also is starting to monitor sustainability risks in its key suppliers with [Orbis](#), an MA database on private companies. Moody's expects to use Orbis to monitor sustainability risks in 100% of its key suppliers by the end of 2021.

414-1
New suppliers that were screened using social criteria

In 2021, Moody's is starting to monitor sustainability risks in its key suppliers with Orbis, an MA database on private companies. Moody's expects to use Orbis to monitor sustainability risks in 100% of its key suppliers by the end of 2021.

GRI Disclosure	Moody's Response
GRI 415 Public Policy	
103-1 Explanation of the material topic and its Boundary	<p>Moody's engages with policymakers and regulators globally on issues that are important to its Company and its stakeholders. The Company supports policies that promote healthy and transparent capital markets. Moody's provides insights to governments globally on a host of market issues, principally those relating to capital markets, macroeconomics, ESG and sustainable finance markets, and trade and economic recovery. Moody's Global Government and Public Affairs team leads direct engagement with government officials and indirect engagement through trade associations and other policy influencers.</p> <p>A unique aspect of Moody's approach to matters of public policy stems from the role that MIS plays in the capital markets. Specifically, MIS provides credit ratings and research covering debt instruments and securities, including securities issued by state and local governments, municipalities and sovereigns. In light of that work, and the importance of maintaining the independence of MIS, Moody's must be sensitive to potential conflicts of interest. This is a central factor in both Moody's decision to not maintain a political action committee and its internal policies governing employee participation in the political process, none of which infringe on an employee's participation in the political process on their own time.</p>
103-2 The management approach and its components	<p>Moody's engages on a variety of significant public policy issues, principally those impacting aspects of capital markets, ESG and sustainable finance markets, and trade and economic recovery.</p> <p>Moody's lobbying positions support the Company's purpose, policies and positions.</p> <p>Moody's encourages employees to participate in the political process on their own time. When doing so, they must not imply that they are acting on behalf of Moody's. Individual participation in political activities must be completely voluntary and must occur only during non-working hours. Activities may not involve the use of Moody's funds, personnel time, equipment, supplies or facilities. Employees' personal political contributions are not reimbursed by the Company.</p> <p>As with any other violation of Moody's Code of Business Conduct, if employees suspect that Moody's funds, personnel time, equipment, supplies or facilities have been wrongfully used for political contributions or lobbying, they are encouraged to report violations to Legal or Compliance or via the Moody's Integrity Hotline.</p>
103-3 Evaluation of the management approach	<p>Moody's Code of Business Conduct is reviewed periodically (at least biannually). The section of the Code of Conduct relevant to matters of public policy is reviewed annually by the Government and Public Affairs Group.</p>
415-1 Political contributions	<p>In line with the U.S. Federal Lobbying Disclosure Act, external U.S. lobbyists hired by the Company reported \$230,000 in expenses related to federal lobbying during the year. No Moody's employee meets the applicable definition of lobbyist.</p> <p>Moody's does not have a political action committee and does not make any political contributions, including in-kind contributions.</p> <p>In line with European law, Moody's Shared Services UK Ltd is registered on the EU's transparency register and, for 2020, has reported €500,000– €599,000 in activities related to engaging with EU institutions.</p>

GRI Disclosure	Moody's Response
GRI 418 Customer Privacy	
103-1 Explanation of the material topic and its Boundary	<p>The growing intersection of supply chains, connectivity and access to data is increasing the potential for cyber attacks. Moody's provides insights, solutions and data to organizations and governments worldwide. Moody's protects the data and security of its stakeholders, investing in world-class IT systems and infrastructure. Moody's employees uphold its security-first philosophy and Moody's holds its third-party partners to this same standard.</p>
103-2 The management approach and its components	<p>Moody's is committed to developing and maintaining a best-in-class information security program that addresses, among other areas, privacy and data security, including for its customers' data. The program integrates Moody's business objectives with industry and internal best practices to provide a foundation for decision-making regarding the management, security and use of data within the organization. All employees receive global privacy and information security training at onboarding and periodically thereafter. Data is safeguarded based on requirements and controls determined by Moody's Information Risk & Security, which include access and right-of-use controls. Security controls are periodically evaluated by Internal Audit.</p> <p>The global pandemic and remote work raised new threats in cybersecurity. Moody's built on its existing disaster preparedness capabilities for working from home with enhanced training on new methods for cyber-attack management. Moody's continued to monitor and strengthen its IT infrastructure and partner with leading organizations to share cutting-edge security solutions.</p> <p>Security management</p> <p>Moody's combines expertise and technological innovation to outpace emerging threats. Moody's employees take cybersecurity training to better recognize and respond to potential threats, including attack and phishing simulation exercises several times a year. The Company provides training portals on emerging cyber threats that help educate software development teams on secure coding practices.</p> <p>Data privacy</p> <p>Moody's policies comply with the data privacy laws in the jurisdictions in which it operates. Moody's Privacy Policy explains how it collects personal information, how it uses, discloses and protects such information, and the choices its customers have concerning use of such data.</p> <p>Reasonable organizational and technical measures were implemented to protect personal information within Moody's organization, and Moody's employees are required to take privacy and information security training that covers these concepts.</p> <p>Moody's privacy notices are publicly available online at:</p> <ul style="list-style-type: none"> » https://www.moody's.com/privatepolicy.aspx » https://www.bvdinfo.com/en-gb/privacy-policy » https://www.bvdinfo.com/en-gb/product-privacy-policy » https://www.bvdinfo.com/en-gb/rdc-product-privacy-notice » https://www.csi.ca/student/en_ca/student/policies/privacy.xhtml » http://427mt.com/privacy-policy/ » https://vigeo-eiris.com/privacy-legal-information/privacy-policy/ » https://www.moody's.com/cookiesnotice.aspx » https://www.bvdinfo.com/en-gb/cookies-notice » https://www.csi.ca/student/en_ca/student/policies/cookie-policy.xhtml » http://427mt.com/cookies-notice/ » https://vigeo-eiris.com/privacy-legal-information/cookie-policy/ » https://moody's.avature.net/talent/PrivacyPolicy <p>For more information, see Moody's 2020 Stakeholder Sustainability Report, Data privacy, page 10.</p>

GRI Disclosure	Moody's Response
103-3 Evaluation of the management approach	<p>Moody's meets data governance obligations through:</p> <ul style="list-style-type: none"> » a dedicated and specialist Privacy team, internal data privacy policies and procedures and a dedicated data subject rights process; » enterprise-wide data privacy training for all employees at onboarding and periodically thereafter, and awareness and additional role-based training and guidance for teams handling personal data; » Information Risk & Security teams, policies and procedures, including cybersecurity, incident management response and vendor cybersecurity; » an Incident Response Management Plan involving all relevant departments; and » a requirement that key vendors complete security assessments and execute appropriate terms to their vendor agreements if they are to process personal data controlled by Moody's. <p>For more information, see Moody's 2020 Stakeholder Sustainability Report, Data privacy, page 10.</p>
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data 16	<p>Moody's does not disclose specific information in this area due to confidentiality constraints. Please see Moody's Privacy Policy to learn more about its approach to customer privacy.</p>