

MOODY'S | Better decisions

2020 STAKEHOLDER

# Sustainability Report





# Welcome

## ABOUT MOODY'S

Moody's (NYSE: MCO) is a global integrated risk assessment firm that empowers organizations to make better decisions. Our data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others. We believe that greater transparency, more informed decisions and fair access to information open the door to shared progress.

With over 11,400 employees in more than 40 countries, Moody's combines international presence with local expertise and over a century of experience in financial markets.

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Read about Moody's sustainability work and disclosures in our full portfolio of reports.



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# Year in review

## A message from our President and CEO, Robert Fauber

As the world faces unparalleled challenges, it is vital for us at Moody's, and for all companies, to address the urgent and disruptive issues created from the pandemic, social inequities and climate change. In this period of remarkable change, Moody's mission has never been more important: to provide trusted insights and standards that help decision-makers act with confidence. And that's exactly what we are doing.

Sustainability has become an integral part of who we are and how we operate at Moody's. Environmental, social and governance (ESG) considerations are increasingly important to our employees, communities, customers and investors. Stakeholder expectations demand an inclusive, sustainable and global economy. With that in mind, Moody's is focusing our actions to align with a new sustainability framework, which connects our activities to our business purpose

of providing knowledge, clarity and fairness to an interconnected world. Together, we are leveraging our expertise, resources and values to drive positive change for better business, better lives and better solutions.

**Better business.** We are working to embed responsible and sustainable decision-making into everything we do. Our company proudly implemented a decarbonization plan in 2020 and made material progress on our corporate climate commitments. This included setting and progressing against science-based targets to reduce our greenhouse gas emissions; procuring 100% renewable electricity for our global operations; and offsetting our annual and historical carbon emissions.

**Better lives.** We are taking concrete steps to further strengthen our approach to diversity, equity and inclusion (DE&I) in our workplace and communities. This includes new DE&I goals to increase representation across our global workforce; a new program aimed at elevating high-potential diverse talent to leadership positions; and a wide variety of activities to support equal justice, such as providing financial support, internships and employment opportunities.

**Better solutions.** As sustainability and ESG factors redefine financial markets, we play a pivotal role in driving this transformation. We formed Moody's ESG Solutions in 2020 to align our efforts across the company and to meet the growing global demand for ESG capabilities. We will continue to provide our customers with tools and insights to mitigate risks and capitalize on the opportunities presented by the transition to a green and sustainable global economy.

We are proud of our achievements in 2020 and the credit goes to the passion and strength of our people. We recognize that there is still much to be done, but I am confident that together we will create lasting impact by ensuring that our business, markets and global communities become more inclusive, sustainable and resilient.



**Robert Fauber**  
President and CEO,  
Moody's Corporation

**"Moody's is focusing our actions to align with a new sustainability framework, which connects our activities to our business purpose of providing knowledge, clarity and fairness to an interconnected world. Together, we are leveraging our expertise, resources and values to drive positive change for better business, better lives and better solutions."**

## Our COVID-19 response

At a time of unprecedented disruption to health and economic security, we protected our workforce, supported organizations carrying out vital relief work and helped market participants and policymakers understand the financial implications of the crisis.



### OUR EMPLOYEES

#### What we did

- » Enabled our global workforce to work remotely for as long as required through Moody's strong technology infrastructure.
- » Addressed health and well-being through mindfulness sessions, stipends for comfortable remote work and fostering employee development through virtual learning.

### PRO BONO ACCESS TO MOODY'S SERVICES

#### What we did

- » Helped businesses, nonprofits and policymakers assess the risks and financial implications of COVID-19 by developing new solutions and adapting our commercial products. In 2020, we provided \$21 million in complimentary access to these products and services including:
  - **Coronavirus microsite:** A website dedicated to research and views on the credit/economic impact of COVID-19.
  - **Government assistance:** Moody's Analytics enhanced its credit decision-enabling solutions to help streamline borrowing by U.S. small businesses under the CARES Act Paycheck Protection Program; these relief loans were intended to enable small businesses to keep employees on payroll during the pandemic.
  - **Know Your Supplier:** A portal that leveraged our data sets to assist the healthcare sector in purchasing reliable personal protective equipment.

### FUNDING FOR COVID-19 RELIEF

#### What we did

- » Moody's funded a **\$1 million program of charitable donations** to help address the immediate and long-term impact of COVID-19, including:
  - **\$550,000** for humanitarian aid to support global efforts to alleviate food insecurity, bolster healthcare systems, purchase medical supplies and support research focused on containment and treatment.
  - **\$450,000** to address the impact of COVID-19 on our existing nonprofit partners, particularly those supporting small businesses and education systems.





# Our sustainability strategy

We play a pivotal role, as markets transform and economies become more inclusive and sustainable, helping participants evaluate risk by integrating ESG considerations into capital allocations and long-term planning.

To do this, we are transforming our teams and our business so we can be a catalyst of positive, system-wide change for better business, better lives and better solutions.

**"While the role of corporations has shifted amid a pending climate crisis and rising social inequalities, we have embraced an approach to sustainability that complements our mission and seeks to benefit our planet, society and all of our stakeholders."**

**Mark Kaye**

Chief Financial Officer



## BETTER BUSINESS

### For our operations and value chain

We strive to embed responsible, sustainable decision-making in everything we do.

More on [page 8](#)



## BETTER LIVES

### For our people and communities

We aim to create a forward-thinking, inclusive culture across our people and communities.

More on [page 11](#)



## BETTER SOLUTIONS

### For market transformation






We build products and services that seek to accelerate market transformation.

More on [page 15](#)



## Contributing to the UN SDGs

The United Nations Sustainable Development Goals (SDGs) help to guide our sustainability strategy. We are working to align our efforts with five of the key goals where we can be the most impactful.

SDG	Our contribution	How we make progress
	» Strive to promote gender equality in our workforce by implementing goals: <ul style="list-style-type: none"> <li>- 50% minimum representation of women globally at entry-level programs, annually<sup>1</sup>; and</li> <li>- 8% increase in the number of women globally at officer levels by 2025 as compared to 2020.<sup>2</sup></li> </ul>	» Responsible sourcing » Diversity, equity and inclusion » Training and upskilling » Communities
	» Help small and medium-sized enterprises to scale their businesses by facilitating capital and market access through programs such as Reshape Tomorrow™. » Develop products and services to drive innovation such as our suite of ESG and Climate Solutions.	» Communities » Better solutions
	» Foster inclusion in our workforce and value chain through initiatives like Moody's Courageous Conversations and our Supplier Diversity Program. » Invest in workplace equality: <ul style="list-style-type: none"> <li>- our goal is to achieve a 30% increase in the number of U.S. Black and Latinx leaders at senior levels by 2025 as compared to 2020.<sup>3</sup></li> </ul>	» Responsible sourcing » Diversity, equity and inclusion » Training and upskilling
	» Decarbonize our operations and value chain: <ul style="list-style-type: none"> <li>- achieve net zero by 2050;</li> <li>- reduce our absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions 50% by 2030 from 2019 levels;</li> <li>- reduce 15% Scope 3 emissions from fuel and energy-related activities, employee commuting and business travel by 2025 from 2019 levels; and</li> <li>- ensure 60% of our suppliers by spend covering purchased goods and services and capital goods set science-based targets by 2025.</li> </ul>	» Climate » Responsible sourcing
	» Partner and collaborate with like-minded organizations such as Village Capital, WEConnect International and Accounting for Sustainability to contribute to the SDGs and build more inclusive, sustainable economies.	» Climate » Diversity, equity and inclusion » Communities

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. We recognize 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 we achieve our goals. Where it is within our control, we are focusing on each of these factors to create a robust diversity, equity and inclusion strategy that reflects our desire to be a market leader in this space.

<sup>1</sup> 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.

<sup>2</sup> Officer levels include Assistant Vice President (AVP), Assistant and Associate Director and above.

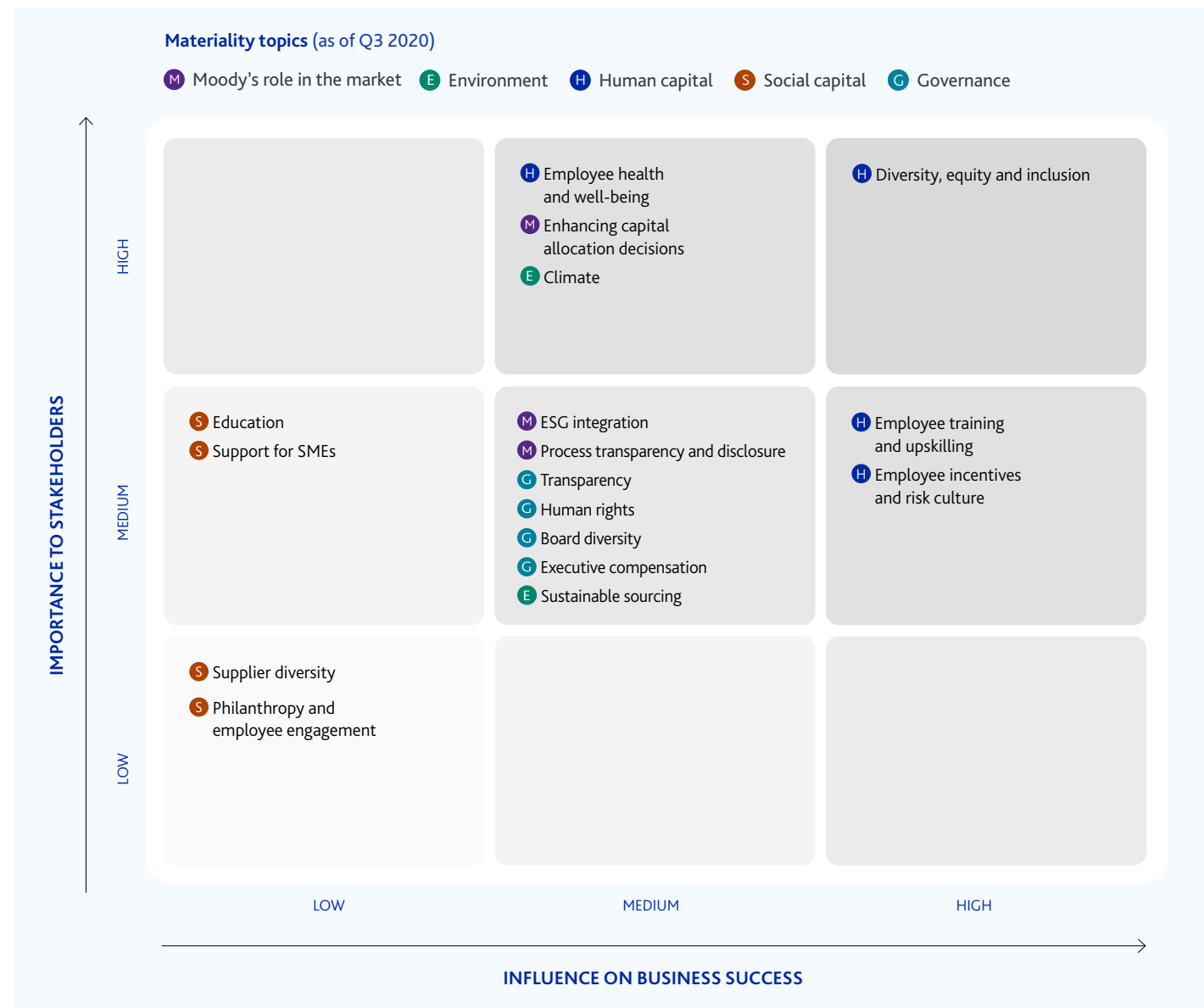
<sup>3</sup> Senior levels include Senior Vice President (SVP), Senior Director and above.

## Our material sustainability topics

Moody's uses a non-financial materiality assessment to identify the sustainability topics that are most relevant to our internal and external stakeholders and most influential to our business. The materiality assessment informs our sustainability strategy and reporting content.

### IDENTIFYING WHAT MATTERS MOST

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 our Executive Leadership team and global workforce, customers, investors and NGO/advocacy groups.







# Better business

We are working to build a better business by embedding responsible, sustainable decision-making into everything we do.

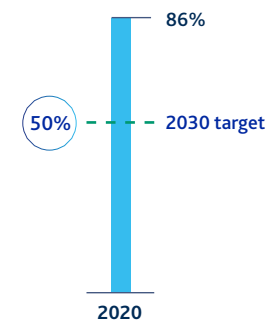
## CLIMATE

Climate change is one of the most urgent global issues of our time. We support the efforts toward more consistent and comparable disclosures, publishing our TCFD report on an annual basis, issuing our Decarbonization Plan with our targets and roadmap that reaffirm our commitment to net zero by 2050, and submitting this Plan to a stockholder advisory vote at our 2021 Annual Meeting of Stockholders.

For more information please see our [2020 TCFD Report](#).

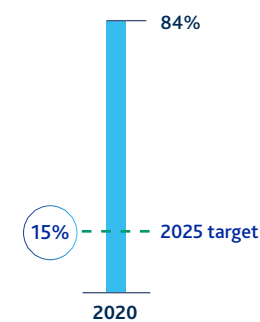
### Targets and progress

Reduction of Scope 1 + Scope 2 emissions from 2019 base year



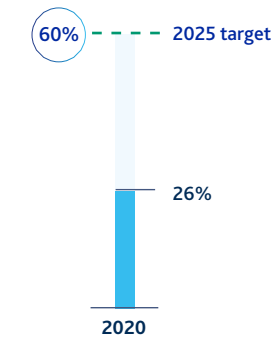
✓ Exceeding target

Reduction of Scope 3 emissions from fuel and energy-related activities, business travel and employee commuting from 2019 base year



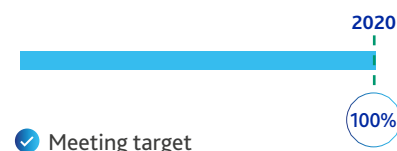
✓ Exceeding target

% of Moody's suppliers by spend covering purchased goods and services and capital goods that have science-based targets



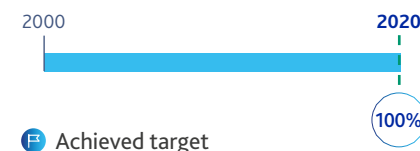
🔄 In progress

% renewable electricity in our global operations



✓ Meeting target

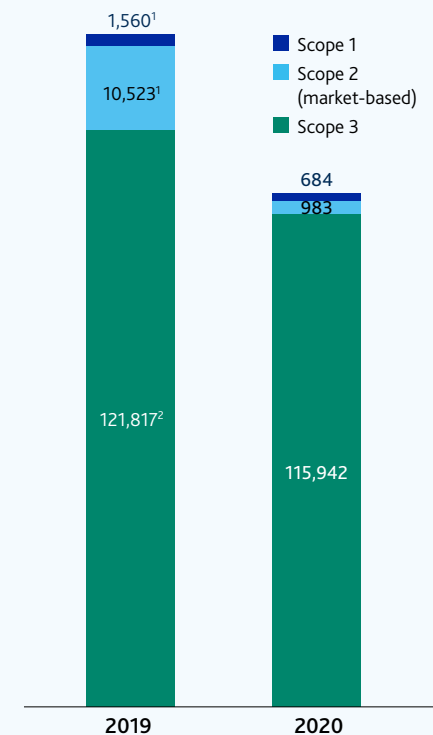
Carbon neutrality of historical emissions from operations, employee commuting and business travel



🏆 Achieved target

### Greenhouse gas emissions performance

Scope 1, 2 and 3 emissions (mtCO<sub>2</sub>e)



- 1 These numbers were updated from previously published values to reflect improvement in data quality during the digitization efforts of our inventory. The change is not material and represents less than 0.5%.
- 2 2019 emissions in some Scope 3 categories were restated due to improvements in data quality and calculations.



### Certified climate projects supporting Moody's 2020 emissions offsets



- » Wind project (Costa Rica)
- » Wind project (India)
- » Forestation (Canada)



- » Clean cookstoves project (Kenya)

### Partnering for climate impact

We progress climate action through several partnerships with leading organizations and campaigns, including as signatories of the Principles for Responsible Investment and participants in the United Nations Global Compact Action Platform on Climate Ambition.

### Say on Climate

We were 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. We announced our support to the "Say on Climate" campaign in our 2021 proxy statement and our stockholders supported the advisory resolution at our 2021 Annual Meeting of Stockholders which took place on April 20.



We were one of the first financial services companies to report our climate-related financial risks and opportunities in line with the TCFD and we continue that reporting on an annual basis. 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.



In 2020, **CDP** gave Moody's an "A List" ranking for tackling climate change, the highest possible score.



We joined the Prince of Wales' **Accounting for Sustainability (A4S)** and its CFO Leadership Network, with our CFO Mark Kaye signing the A4S CFO Net Zero Statement of Support.



## RESPONSIBLE SOURCING

We are working to build a sustainable supply chain – one that reflects our corporate values and champions human rights, diversity and the environment.

### Climate action

To make progress toward our science-based targets in 2020, we hosted webinars and engaged nearly 300 of our top suppliers, requesting that they participate in the annual CDP Climate Change disclosure. In addition, Moody's [Supplier Code of Conduct](#) was expanded to encourage suppliers to report on their energy consumption and GHG emissions, and set their own science-based targets.

We ranked in the top 7% of companies assessed for supplier engagement on climate action



### Due diligence

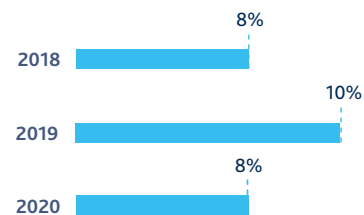
Our suppliers are held to standards set forth in our [Supplier Code of Conduct](#) and [Human Rights Statement](#). In 2021, we will start to monitor sustainability risks in our key suppliers with [Orbis](#), a Moody's Analytics database on private companies. We expect to use Orbis to monitor sustainability risks in 100% of our key suppliers by the end of 2021.

### Supplier diversity

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

We are furthering our supplier diversity by pledging 5% of our 2021 addressable spend toward integrating more women-owned businesses into our supply chain.

#### Addressable spend with diverse suppliers that we do business with directly



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 our large suppliers losing its diversity status.

## DATA PRIVACY

Safeguarding privacy and protecting data are paramount to our success and we rely on our robust technology infrastructure and a security-first philosophy to protect our business and stakeholders.

The global pandemic and remote working raised new threats in cybersecurity. In 2020, Moody's built on our existing disaster preparedness capabilities for working from home with enhanced training on new methods for cyber-attack management. We continued to monitor and strengthen Moody's IT infrastructure and partnered with leading organizations to share cutting-edge security solutions.

### Security management

We combine expertise and technological innovation to outpace emerging threats.

Our employees take cybersecurity training to better recognize and respond to potential threats including attack and phishing simulation exercises several times a year. We provide training portals on emerging cyber threats that help educate software development teams on secure coding practices.

### Data protection

Our policies comply with the data privacy laws in the jurisdictions in which we operate. Moody's [Privacy Policy](#) explains how we collect personal information, how we use, disclose and protect such information and the choices our customers have concerning use of such data.

Reasonable organizational and technical measures were implemented to protect personal information within our organization, and our employees are required to take privacy and information security training that covers these concepts.





# Better lives

We aim to create a forward-thinking, inclusive culture for our people and communities. We strive to foster a diverse, equitable and inclusive workplace where every individual can thrive, and we empower the communities we serve with financial knowledge, educational opportunities and the skills of tomorrow.

## DIVERSITY, EQUITY AND INCLUSION

We are working toward a more diverse, equitable and inclusive company and society.

### U.S. Equal Employment Opportunity data

Our 2020, consolidated U.S. EEO-1 employment data can be found by [clicking here](#).

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. We recognize 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 we achieve our goals. Where it is within our control, we are focusing on each of these factors to create a robust diversity, equity and inclusion strategy that reflects our desire to be a market leader in this space.

### Our goals

We established three goals to increase representation of women and employees of racial and ethnic underrepresented groups across our global workforce:



**50% minimum** representation of women globally at entry-level programs,<sup>1</sup> annually.



**8% increase** in the number of women globally at officer levels<sup>2</sup> by 2025 as compared to 2020.



**30% increase** in the number of U.S. Black and Latinx leaders at senior levels<sup>3</sup> by 2025 as compared to 2020.

### Gender statistics: global workforce<sup>4</sup>

Employee category <sup>5</sup>	2018	2019		2020	
		Female	Male	Female	Male
Executives	26% 74%	30%	70%	33%	67%
Senior managers	33% 67%	33%	67%	33%	67%
Mid-level managers	32% 68%	33%	67%	33%	67%
First-level managers	39% 61%	37%	63%	37%	63%
Non-managers	50% 50%	48%	52%	48%	51%
<b>Total</b>		41%	58%	41%	58%

### Race and ethnicity statistics: United States<sup>6</sup>

	2019		2020	
	White	Underrepresented groups <sup>6</sup>	White	Underrepresented groups <sup>6</sup>
U.S. workforce	49%	46%	49%	46%
U.S. officers and managers <sup>7</sup>	53%	43%		

1 Entry-level programs include Moody's summer internship annual hiring, MA Technology Rotational Program (MATR) annual hiring and Associate Analyst 3 hires MIS in Ratings and Research Support (RRS) on an annual basis.

2 Officer levels include Assistant Vice President (AVP), Assistant and Associate Director and above.

3 Senior levels include Senior Vice President (SVP), Senior Director and above.

4 The data represents employees that are integrated in our 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.

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

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

7 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.

## DE&I AT MOODY'S

Our DE&I efforts aim to drive positive impact across our workforce, workplace, customers and communities. Our most significant achievements in 2020 include:

### Workforce

- » Established and enhanced employee programs, including launching the **TIDE**<sup>1</sup> high potential initiative for women and diverse leaders and transforming the **Senior Women Leadership Development Program**. In 2020, 40% of TIDE participants received promotions, expanded roles or additional opportunities at Moody's.
- » Moody's conectaMos, an employee-led group, promotes and advances the inclusion of Latinx people at all levels. In 2020, more than 40 Latinx employees and managers were paired through the six-month conectaMos mentoring program to build professional development.
- » Our 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. We aim to increase diverse representation, attract top talent and tackle the challenges of re-entering the workforce with support and mentorship.

### Workplace

- » We became one of the first companies to sign up to the new **Black Equity at Work Certification** launched by Management Leadership for Tomorrow to ensure accountability and transparency in increasing Black representation at the workplace.



- » In response to the rise in anti-Asian violence, particularly in the U.S., Moody's DE&I team held meetings and put together resources to guide conversation and allyship in the workplace and to help employees better understand systemic anti-Asian racism and inequality.
- » Launched the **Be Counted initiative**, which asked employees to voluntarily self-identify themselves as members of the LGBTQ+ community. The self-identification data<sup>2</sup> is used to review and boost Moody's leadership development programs, employee benefit offerings, recruitment efforts and more.
- » Raised cultural awareness through **Courageous Conversations**, a **Business Resource Group**-led series launched to promote understanding of how racial unrest affects our employees and to educate our leaders on the experiences of those from diverse backgrounds.

### Communities

- » Established the **\$1.2 million Ray McDaniel scholarship program** to support Black talent.
- » Committed **\$1 million** over the next five years to promote equal justice and advancement of the Black community, including a \$100,000 donation to Equal Justice Initiative.
- » Awarded five Hispanic students from across the U.S. with \$2,500 college scholarships and held an eight-week mentoring program to help prepare them for careers in finance and tech.



### Customers

- » Launched **Moody's Multicultural Customer Initiative**, which seeks to bring financial opportunities and economic revitalization to underserved communities. In 2020, we placed cash deposits of Moody's Corporation worth \$6 million with three Black-owned banks.
- » Moody's became a member of the **Women in Islamic Finance & Ethical Finance Forum** and leads a mentoring program to support and expand the interests of women in the Islamic and ethical finance industry.

### DE&I awards and recognition



Read more about Moody's diversity, equity and inclusion on the [DE&I website](#)

1 TIDE stands for Talent Aspirations & Alignment, Insights, Development & Career Planning and Exposure & Expansion.  
2 Our senior management and the Board of Directors receive the data in an aggregated and anonymized form.



## HEALTH AND WELL-BEING

We offer our employees a comprehensive range of programs with resources and support for physical, mental and financial well-being and we support flexible work arrangements.

### Employee well-being insights

Employee surveys revealed useful health and well-being data related to COVID-19 and remote work.

**80%<sup>1</sup> of employees agreed Moody's took a genuine interest in their well-being in 2020**

1 Unweighted average of favorability scores from April, May and September surveys. The favorability score is the percentage of employees that selected a 4 (agree) or 5 (strongly agree).

### Healthy remote work

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.

Looking ahead, we are adapting our operations in a way that better serves the needs of our



employees, our business and our customers. The "Workplace of the Future" project, initiated in 2020, is working toward enhancing our technology and IT infrastructure and implementing an enhanced flexible work model that will allow increased part- and full-time remote work that may allow us to reduce office space, employee commuting and business travel over the long term.

**70+ Moody's Moments that Matter sessions with 44,000+ views**

### Adapting to a virtual world

In 2020, we 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.

**21 hours of training per employee<sup>2,3</sup>**

2 The data represents employees that are integrated in our 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.

3 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.

## TRAINING AND UPSKILLING

We invest in the education, training and upskilling of our employees to align their professional goals and interests with the success of our company.

### Virtual employee learning and training sessions

Throughout 2020, we enabled our global employees to keep learning with virtual training.

### Creating leaders through virtual upskilling

We continued to invest in the upskilling of our employees in 2020 through programs such as our Virtual Leadership Essentials, which started teaching 269 new and front-line managers how to lead by enhancing self-awareness and personal effectiveness, and a Fintech and Innovation training program that will be delivered to over 40 employees in partnership with Cornell University.

### ESG training

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

- » 20 internal training sessions on ESG integration in risk management.
- » 26 unique ESG courses offered.
- » 930 employees trained on MIS ESG Issuer Profile and Credit Impact Scores.

Data as of December 31, 2020

## COMMUNITIES

We are working toward a more equitable society by empowering people with financial knowledge, activating an environmentally sustainable future and helping young people reach their potential.

### Empowering people with financial knowledge

Through [Moody's Reshape Tomorrow™](#) program, we support women and entrepreneurs from underserved communities to grow their small businesses and create a better future for their communities.

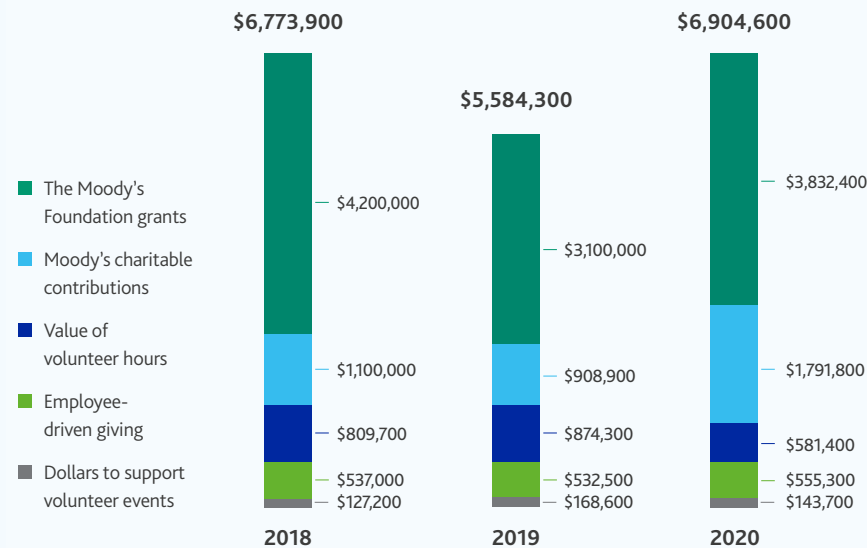
#### Women-led businesses

Women-owned businesses around the world continue to face barriers despite being pivotal drivers of sustainable economic growth. Moody's and [WEConnect International's](#) "Financing Your Growing Business" program supports women business owners through interactive boot camps and online training modules that focus on credit training and accessing markets and capital.

#### Supporting diverse entrepreneurs

As part of Moody's \$1 million commitment over the next five years to promote equal justice, The Moody's Foundation aims to support the growth of more than 200 Black entrepreneurs across the U.S. by the end of 2021 through our \$100,000 commitment to [Village Capital's](#) Resource program. In EMEA, we have committed \$100,000 to [Echoing Green](#) to help Black-led enterprises scale their businesses.

### Our giving and foundation progress



In partnership with Village Capital, we launched an investment readiness program in Latin America to support social entrepreneurs building tech-based solutions to global development challenges.

### Helping young people reach their potential

We work with schools and nonprofits around the world to prepare students aged 15–24 for successful careers in finance, technology and economics via mentorship initiatives, skills development programs, internships and other educational opportunities.

### Closing the gender gap in finance and technology

Together with [Girls Inc.](#), we created Generation Giga Girl (G3), the first-ever data analytics program for girls from low-income communities. The program addresses the gaps in STEM related to gender and racial and ethnic underrepresented groups.

### Empowering people with financial knowledge

Key impact metrics	💰	\$1.2M invested
	🌐	22 countries affected
	⚙️	88% median efficacy rate
Total reach	👤	2,500 beneficiaries
Beneficiary demographics	♀️	64% female
	♂️	36% male

### Activating an environmentally sustainable future

Key impact metrics	💰	\$352K invested
	🌐	30 countries affected
	⚙️	100% median efficacy rate
Total reach	👤	60,000 beneficiaries
Beneficiary demographics	♀️	68% female
	♂️	32% male

### Helping young people to reach their potential

Key impact metrics	💰	\$1.1M invested
	🌐	49 countries affected
	⚙️	96% median efficacy rate
Total reach	👤	17,000 beneficiaries
Beneficiary demographics	♀️	66% female
	♂️	33% male
	🧑	1% non-binary

To measure the impact of our social investments, we use the [Mission Measurement Impact Genome Project®](#) methodology.

Data is reflective of programming that was active between January and December 2020 and is not reflective of all Moody's grant partners. Efficacy rate refers to the percentage of beneficiaries who achieved the desired outcome of Moody's funding.





# Better solutions

Through our integrated data and analytics capabilities, coupled with deep domain expertise, we provide our customers with the tools and insights to mitigate risks and to capitalize on the opportunities presented by the transition to an inclusive, green and sustainable global economy.

## ESG SOLUTIONS

Organizations worldwide are increasingly seeking to integrate ESG considerations into their decision-making processes. With global demand for ESG insights rising, Moody's offers a comprehensive suite of products and solutions that inform more sustainable decisions and, in turn, help advance a more resilient future.

Moody's businesses fulfill the complete spectrum of ESG-related needs. Our core strengths are grounded in deep domain expertise, analytical rigor, flexible coverage, data integrity and service excellence.



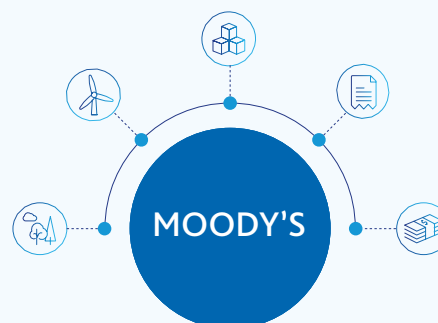
### ESG MEASURES

#### What we provide

ESG data and scores, assessments, controversy monitoring and portfolio management tools.

#### Our impact

Enabling organizations to identify material factors affecting performance, mitigate risk and measure impact.



### INDEX SOLUTIONS

#### What we provide

Data and design services to embed ESG criteria in global indices and benchmarks.

#### Our impact

Allowing investors to make informed decisions that consider ESG factors through innovative indices.



### CLIMATE SOLUTIONS

#### What we provide

Physical-risk and transition-risk data, climate-adjusted macroeconomic forecasts, scenario modelling and reporting tools.

#### Our impact

Empowering market participants – investors, banks, insurers, companies, asset owners, asset managers and sovereigns, among them – to identify, quantify and manage their climate-related risks and opportunities.



### SME SOLUTIONS

#### What we provide

SME data, scores and assessment for use in the management of corporate supply chains and bank portfolio risk management.

#### Our impact

Identifying, managing and monitoring operational and reputational risks arising from global corporate supply chains, and scoring the ESG characteristics and their impact on banks' SME portfolios.



### SUSTAINABLE FINANCE

#### What we provide

Second Party Opinions for sustainability bonds and other ESG-linked products; sustainability ratings, Green Equity and CBI Certifications.

#### Our impact

Incentivizing organizations to improve their sustainability performance and access new investment opportunities.



## Our impact



### MILESTONES

- » **6** central banks using climate solutions
- » **22K+** users with access to ESG and climate data via Moody's CreditView
- » **350+** Moody's ESG Solutions employees



### CLIMATE SOLUTIONS

- » **5K** climate risk scores on companies
- » **140+** sovereigns scored
- » **10M+** real assets scored



### INNOVATION

- 1<sup>st</sup>** Sustainability-Linked Convertible Bond in Europe
- 1<sup>st</sup>** Sustainability-Linked Bond in the United States
- 1<sup>st</sup>** Sovereign SDG Bond in Mexico
- 1<sup>st</sup>** Transition Sukuk Bond in the United Arab Emirates



### ESG MEASURES

- » **5K+** ESG assessments of large-cap companies
- » **273** unique ESG data points
- » **8K+** controversy monitoring & alerts
- » **100K+** small and medium-sized enterprises
  - **600+** industries
  - **180+** countries



### SUSTAINABLE FINANCE

- » **300+** rated SPOs
- » **70% ↑** sustainability ratings issued in 2020 vs. 2019



### INDEX SOLUTIONS

- » **75** global indices using Moody's data
- » **10+** partnerships

Read more about [Moody's ESG Solutions](#)

Cumulative data unless stated otherwise. Figures as of December 31, 2020.



## ESG INTEGRATION

We continue to further incorporate ESG considerations into our products and solutions to meet the needs of market participants who seek trusted insights and standards to make better, more sustainable decisions.

### ESG integration into credit

Moody's Investors Service (MIS) incorporates material ESG considerations into its credit analysis and is increasing the systematic and transparent nature of that integration. In 2020, MIS published an updated ESG Cross Sector Methodology introducing new ESG Issuer Profile and Credit Impact Scores for rated entities.

#### Assessing exposure with Issuer Profile Scores (IPS)

IPS are separate environmental, social and governance scores that assess an entity's exposure to the ESG categories that are the most material to credit. Our scores provide a consistent way to express this assessment.

#### Measuring impact with ESG Credit Impact Scores (CIS)

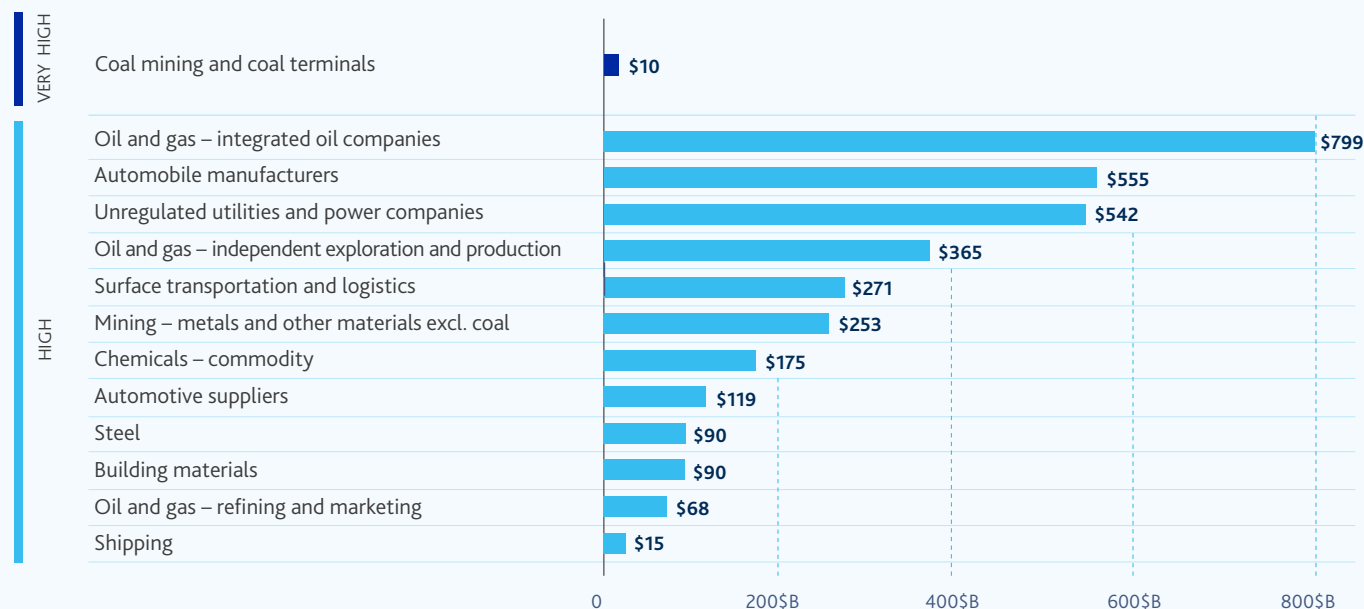
CIS reflect the impact of ESG considerations on the credit rating of an issuer or transaction. CIS place ESG considerations in the context of the other credit drivers that are material to the credit rating of the issuer or transaction.

#### Visualizing ESG risk with Heat Maps

MIS Environmental and Social Risk Heat Maps provide a qualitative assessment of the overall credit materiality of environmental and social risks for each of the sectors we rate globally. Our heat maps serve as consistent starting points for a more granular evaluation of environmental and social risks at an entity level.

### MIS Environmental Risk Heat Map

13 sectors with \$3.4 trillion of debt face heightened environmental credit risk



Based on a review of 89 global sectors representing approximately \$79 trillion of rated debt. Debt numbers as of June 2020. Source: [ESG – Global: Heat map: Sectors with \\$3.4 trillion in debt face heightened environmental credit risk](#), December 14, 2020.

### ESG integration into risk management

Moody's Analytics is uniquely positioned to provide global markets with extra financial risk information. **CreditView** and **Datahub** give more than 22,000 users access to crucial ESG data and scoring applications. These tools enable our customers to make better and faster decisions around ESG, including:

- » using Artificial Intelligence and Machine Learning techniques to benchmark and predict ESG scores using the **ESG Score Predictor**;
- » creating dashboards with climate adjusted scenarios, expected default frequencies (EDFs), spreads and more; and
- » providing **REIS Network** users with aggregated climate risk scores that show the climate risk threshold levels for commercial property locations.

We are further integrating ESG into additional MA products and within our regulatory and accounting tools.

Get in touch:

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