



MOODY's

United Nations Global Compact

Early Adopter

Enhanced Communication on Progress

January 1 – December 31, 2021



CEO Statement of Continued Support

Dear stakeholders,

I am pleased to confirm that Moody's Corporation reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we disclose our continuous efforts to integrate the Ten Principles into our business strategy, culture and daily operations, and contribute to United Nations goals, particularly the Sustainable Development Goals.

Sincerely yours,



Robert Fauber
President and CEO
Moody's Corporation

Governance

Policies and Responsibilities

1. Does the Board / highest governance body or most senior executive of the company:

Issue an annual statement about the relevance of sustainable development to the company	
Issue an annual statement that addresses impacts on both people and the environment	
Issue an annual statement highlighting a zero tolerance for corruption	
Sign off on organizational sustainability targets	✓
Supervise Environmental, Social, and Governance reporting	✓
Regularly review potential risks related to the business model	✓
None of the above	

2. Does the company have a publicly stated commitment regarding the following sustainability topics?

	No, this is not a current priority	No, but we plan to have a commitment within 2 years	Yes, and the commitment is focused on our own operations	Yes, and the commitment includes our own operations and the value chain	Yes, and the commitment includes our own operations and the value chain along with communities and society
Human Rights					✓
Labour Rights / Decent Work					✓
Environment					✓
Anti-Corruption				✓	

3. Does the company have in place a code of conduct regarding each of the following sustainability topics?

	No, this is not a current priority	No, but we plan to have a code of conduct within two years	Yes, focused on employee conduct	Yes, focused on employees and suppliers	Yes, focused on employees, suppliers, and other business relationships
Human Rights					✓
Labour Rights / Decent Work					✓
Environment					✓
Anti-Corruption					✓

Optional comment

Moody's Code of Conduct covers employees and directors. Moody's Supplier Code of Conduct covers suppliers and some other business relationships, for example, contractors.

4. Has the company appointed an individual or group responsible for each of the following sustainability topics?

	No one is specifically responsible for this topic	Yes, with limited influence on outcomes (e.g., limited access to internal information, limited decision-making authority)	Yes, with moderate influence on outcomes (e.g., has access to relevant information, reports to senior manager)	Yes, with direct influence of some outcomes (e.g., has access to relevant information, includes one or more senior manager with decision making rights)	Yes, with direct influence at the highest levels of the organization (e.g., has access to relevant information, includes most senior members of organization)
Human Rights					✓
Labour Rights / Decent Work					✓
Environment					✓
Anti-Corruption					✓

5. Does the company have a formal structure(s) (such as a cross-functional committee) to address each of the following sustainability topics?

	No formal structure	Yes, and with limited influence on outcomes (e.g., limited access to internal information necessary to understand risks, poor representation from relevant departments or functions)	Yes, with moderate influence on outcomes (e.g., it includes representatives of some functions, departments, or business units most relevant for addressing the risks concerned, has access to relevant information, reports to senior manager)	Yes, with direct influence on some outcomes (e.g., it includes representatives of functions, departments, or business units most relevant for addressing the risks concerned, has access to relevant information, it involves one or more members of senior management)	Yes, and with direct influence at the highest level of the organization (e.g., full access to relevant information, it involves members at highest level of organization)
Human Rights					✓
Labour Rights / Decent Work					✓
Environment					✓
Anti-Corruption					✓

Prevention

6. Does the company have a process or processes to assess risk?

	No, this is not a current priority	No, but we are planning to develop one in the next two years	Yes, related to our own operations	Yes, related to our own operations and entire value chain and other business relationships
Human rights risks				✓
Labour rights risks				✓
Environmental risks				✓
Corruption risks				✓

6.1. During the assessment of risk, which business relationships are reviewed?

	A few suppliers or business relationships [approximately less than 25 %]	Several suppliers / business relationships (i.e., first tier or other high priority) [approx. 25 - 50 %]	Most suppliers / relevant business relationships [approx. 51 - 99 %]	All suppliers / relevant business relationships outside the supply chain
Human rights risks		✓		
Labour rights risks		✓		
Environmental risks			✓	
Corruption risks				✓

Optional comment

The calculation is based on supplier addressable spend. Refers to Moody's Corporation and its wholly-owned subsidiaries.

7. Does the company have a due diligence process through which it identifies, prevents, mitigates, and accounts for actual and potential negative impacts on sustainability topics?

	No, this is not a current priority	No, but we are planning to develop one in the next two years	Yes, related to our own operations	Yes, related to our own operations and entire value chain and other business relationships
Human rights risks				✓
Labour rights risks				✓
Environmental risks				✓
Corruption risks				✓

7.1. During the due diligence process, which business relationships are reviewed?

	A few suppliers or business relationships [approximately less than 25 %]	Several suppliers / business relationships (i.e., first tier or other high priority) [approx. 25 - 50 %]	Most suppliers / relevant business relationships [approx. 51 - 99 %]	All suppliers / relevant business relationships outside the supply chain
Human rights risks		✓		
Labour rights risks		✓		
Environmental risks			✓	
Corruption risks				✓

Optional comment

The calculation is based on supplier addressable spend. Refers to Moody's Corporation and its wholly-owned subsidiaries.

Concerns and grievance mechanisms

8. Are there any processes through which members of the company's workforce can raise concerns about the company's conduct related to human rights, labour rights, environment, or anti-corruption?

No, this is not a current priority	
No, but we plan to within two years	
Yes, we have an informal process (e.g., through supervisors, others)	
Yes, we have a formal process	✓

8.1. Please provide additional detail regarding the process(es) the company has through which members of the company's workforce can raise concerns about the company's conduct.

	No	Yes
Is the process communicated to all employees/workers in local languages?	✓	
Is the process available to non-employees (e.g., contractors, vendors, suppliers)?		✓
Is the process confidential (e.g., whistleblowing process)?		✓
Are there processes in place to avoid retaliation?		✓
Can concerns be raised about suppliers or other business relationships (e.g., clients, partners, etc.)		✓
Other (Please provide additional information)		✓

Optional comment

Moody's Code of Business Conduct is available in 11 languages; however, it is not translated into the local language of every country in which Moody's operates.

9. Does the company provide or enable access to effective remedy to right holders / stakeholders where it has caused or contributed to the adverse impact?

	No process to enable remedy to stakeholders	Remedy available to some stakeholders (i.e., some geographies, employees only)	Remedy is available to all affected stakeholders	Remedy is available to all stakeholders, and suppliers are expected to have similar policies
Human Rights				✓
Labour Rights / Decent Work				✓
Environment				✓
Anti-Corruption				✓

Optional comment

Moody's encourages suppliers to provide a confidential avenue for reporting violations of laws or their own policies.

Lessons

10. How does the company capture lessons regarding each of the following sustainability topics?

	No lessons are regularly captured	Conducts root cause analyses/ investigation of major incidents	Conducts root cause analyses/ investigation and changes organizational policies, processes, and practices accordingly	Systematically conducts root cause analyses/investigation and leverages learnings to influence both internal and external affairs
Human Rights		✓		
Labour Rights / Decent Work		✓		
Environment		✓		
Anti-Corruption		✓		

Executive Pay

11. Is executive pay linked to performance on one or more of the following sustainability topics?

	No, and we have no intention to change	No, but we plan to within two years	Yes
Human Rights			✓
Labour Rights / Decent Work			✓
Environment			✓
Anti-Corruption			✓

Board Composition

12. Percentage of individuals within the company's Board / highest governance body by:

	Number/Percentage	Not applicable (Please provide additional information)
Total number of board members (#)	10	
Male (%)	70	
Female (%)	30	
Non-binary (%)	0	
Under 30 years old (%)	0	
30-50 years old (%)	10	
Above 50 years old (%)	90	
From minority or vulnerable groups (%)	20	
Executive (%)	10	
Independent (%)	80	

Optional comment

Minority and vulnerable groups include board members who self-identify with underrepresented racial / ethnic groups: Asian, LatinX, Black, Native American / Alaskan Native, Hawaiian / Other Pacific Island or two or more races.

13. Do you produce sustainability reporting according to:

National/local regulation on sustainability	
Security exchange regulations	
European Union Corporate Sustainability Reporting Directive (CSRD)	
Global Reporting Initiative (GRI)	✓
Sustainability Accounting Standards Board (SASB)	✓
International Integrated Reporting Council (IIRC)	
Climate Disclosure Standards Board (CDSB)	
Task Force on Climate-related Financial Disclosures (TCFD)	✓
Other voluntary frameworks (please specify in text box)	✓

[The World Economic Forum \(WEF\) International Business Council's Stakeholder Capitalism Metrics](#)

No sustainability reporting according to any frameworks nor regulations
We do not produce sustainability reporting outside of this Communication on Progress

Optional comment

See Moody's [2021 Stakeholder Sustainability Report](#), p. 97-107, and [2021 TCFD Report](#).

Data Assurance

14. Is the information disclosed in this questionnaire assured by a third-party?

No assurance for any metrics

Limited assurance for minority of metrics (e.g., GHG emissions only)



Limited assurance of Moody's GHG emissions and progress on science-based targets

Limited assurance for majority of metrics

Reasonable assurance for minority of metrics

Reasonable assurance for majority of metrics

Other (Please provide additional information)

Optional comment

See Moody's [2021 TCFD Report](#), p. 34-36.

Human Rights

Materiality / Saliency

1. Which of the following has the company identified as material human rights issues connected with its operations and/or value chain, whether based on their salience (i.e., the most severe potential negative impacts on people) or another basis?

Freedom of association and the effective recognition of the right to collective bargaining

Child labour

Forced labour

Non-discrimination in respect of employment and occupation



Occupational safety and health



Working conditions (wages, working hours)



Freedom of expression

Access to culture

Access to water and sanitation

Digital security / privacy



Rights of women and/or girls

Rights of indigenous peoples

Free, prior and informed consent

Rights of refugees and migrants

Other

Commitment

2. Does the company have a policy commitment in relation to the following human rights issues?

	No, and we have no plans to develop a policy	No, but we plan to in the next two years	Yes, included within a broader policy	Yes, articulated as a stand-alone policy
Digital security / privacy				✓
Updated in 2022				

2.1. For each human rights policy, is it:

	Aligned with international human rights standards?	Publicly available?	Approved at most senior level of the company?	Applied to the company's own operations?	Applied to the company's supply chain and/or other business relationships?	Developed involving human rights expertise from inside and outside the company?	Other (Please provide additional information)
Digital security / privacy	✓	✓	✓	✓	✓		

Prevention

3. In the course of the reporting period, has the company engaged with affected stakeholders or their legitimate representatives in relation to the following human rights issues?

	No engagement on this topic	To better understand the risks/ impacts in question	To discuss potential ways to prevent or mitigate the risks/ impacts in question	To agree on a way to prevent/ mitigate the risks/ impacts in question	To assess progress in preventing /mitigating the risks/impacts in question	To collaborate in the prevention/ mitigation of the risks/ impacts in question
Digital security / privacy						✓

4. What type of action has the company taken in the reporting period with the aim of preventing/mitigating the risks/impacts associated with this human rights issue?

	Provided internal training/ capacity building for the direct workforce	Building capacity among relevant business relationships (e.g., partners, suppliers, clients, etc.)	Conducting an audit process and/or corrective action plan	Collective Action with peers or other stakeholders to address the issue	Collaboration with governmental or regulatory bodies	Other (Please provide additional information)	No action within reporting period
Digital security / privacy	✓		✓	✓	✓		

5. Who receives training for the following human rights issues?

	No training provided	Select employees	All employees	Contractors	Direct suppliers of the organization	Indirect suppliers of the organization	Other – such as partners, clients, etc.
Digital security / privacy			✓				

6. How does the company assess progress in preventing/mitigating the risks/impacts associated with the following human rights issues?

	No monitoring of progress	Review issues on ad-hoc basis	Set annual targets/ goals, track progress over time (internal programs only)	Set annual targets/ goals, track progress over time (internal and external programs)	Other (Please provide additional information)
Digital security / privacy			✓		

Response

7. During the reporting period, has the company been involved in providing or enabling remedy where it has caused or contributed to adverse impact associated with the following human rights issue(s)?

	Yes	No	Choose to not disclose	Not applicable (Please provide additional information)
Digital security / privacy		✓		

8. Briefly describe practical actions the company has taken during the reporting period and/or plans to take to implement the human rights principles, including any challenges faced and actions taken towards prevention and/or remediation.

For further information please see Moody's 2021 Stakeholder Sustainability Report and related policies at <https://about.moody's.io/sustainability-reports>

Labour

Commitment

1. Does the company have a policy commitment in relation to the following labour rights principles?

	No, and we have no plans to develop a policy	No, but we plan to in the next two years	Yes, included within a broader policy	Yes, articulated as a stand-alone policy	Not applicable (Please provide additional information)
Freedom of association and the effective recognition of the right to collective bargaining	✓				
Forced labour			✓		
Updated in 2020					
Child labour			✓		
Updated in 2020					
Non-discrimination in respect of employment and occupation			✓		
Updated in 2020					
Occupational safety and health			✓		
Updated in 2020					
Working conditions (wages, working hours)			✓		
Updated in 2020					

Optional comment

While Moody's does not have a freedom of association policy, it is committed to complying with all applicable freedom of association and collective bargaining laws and regulations of all countries and localities in which it does business. Moody's has stand-alone regional and/or local policies related to these labour topics as required by applicable law.

1.1. For each labour rights policy, is it:

	Aligned with international labour standards?	Publicly available?	Approved at most senior level of the company?	Applied to the company's own operations?	Applied to the company's supply chain and/or other business relationships?	Developed involving labour rights expertise from inside and outside the company?	Other (Please provide additional information)
Forced labour	✓	✓	✓		✓	✓	✓
While Moody's does not have a policy applied to the company's own operations that would explicitly reference forced labour, our commitment to operating in an ethical and lawful manner includes protecting the basic dignity and human rights of our employees and the people in our supply chain. Moody's is committed to doing business in compliance with all applicable laws and regulations.							
Child labour	✓	✓	✓		✓	✓	✓
While Moody's does not have a policy applied to the company's own operations that would explicitly reference child labour, our commitment to operating in an ethical and lawful manner includes protecting the basic dignity and human rights of our employees and the people in our supply chain. Moody's is committed to doing business in compliance with all applicable laws and regulations.							
Non-discrimination in respect of employment and occupation	✓	✓	✓	✓	✓	✓	
Occupational safety and health	✓	✓	✓	✓	✓	✓	
Working conditions (wages, working hours)	✓	✓	✓	✓	✓	✓	

Prevention

2. In the course of the reporting period, has the company engaged with affected stakeholders or their legitimate representatives in relation to the following labour rights issues?

	No engagement on this topic	To better understand the risks/ impacts in question	To discuss potential ways to prevent or mitigate the risks/ impacts in question	To agree on a way to prevent/ mitigate the risks/ impacts in question	To assess progress in preventing/ mitigating the risks /impacts in question	To collaborate in the prevention/ mitigation of the risks/ impacts in question	Other (Please provide additional information)
Freedom of association and the effective recognition of the right to collective bargaining							✓
As required by applicable law.							
Forced labour		✓					
Child labour		✓					
Non-discrimination in respect of employment and occupation						✓	
Occupational safety and health					✓		
Working conditions (wages, working hours)						✓	

3. What type of action has the company taken in the reporting period with the aim of preventing/mitigating the risks/impacts associated with this labour rights issue?

	Provided internal training/ capacity building for the direct workforce	Building capacity among relevant business relationships (e.g., partners, suppliers, clients, etc.)	Conducting an audit process and/or corrective action plan	Collective Action with peers or other stakeholders, in particular workers' organizations, to address the issue	Collaboration with governmental or regulatory bodies	Other (Please provide additional information)	No action within reporting period
Freedom of association and the effective recognition of the right to collective bargaining						✓	
Moody's takes action on freedom of association and collective bargaining as required by applicable law.							
Forced labour	✓						
Child labour	✓						
Non-discrimination in respect of employment and occupation	✓	✓		✓	✓		
Occupational safety and health	✓		✓				
Working conditions (wages, working hours)	✓		✓	✓	✓		

4. Who receives training for the following labour rights issues?

	No training provided	Select employees	All employees	Contractors	Direct suppliers of the organization	Indirect suppliers of the organization	Other – such as partners, clients, etc.
Freedom of association and the effective recognition of the right to collective bargaining	✓						
Forced labour		✓					
Child labour		✓					
Non-discrimination in respect of employment and occupation			✓				
Occupational safety and health			✓				
Working conditions (wages, working hours)		✓					

5. How does the company assess progress in preventing/mitigating the risks/impacts associated with the following labour rights issues?

	No monitoring of progress	Review issues on ad-hoc basis	Set annual targets/ goals, track progress over time (internal programs only)	Set annual targets/ goals, track progress over time (internal and external programs)	Other (Please provide additional information)
Freedom of association and the effective recognition of the right to collective bargaining					✓
As required by applicable law.					
Forced labour					✓
In case risks/impacts were identified, they would be reviewed on an ad hoc basis.					
Child labour					✓
In case risks/impacts were identified, they would be reviewed on an ad hoc basis.					
Non-discrimination in respect of employment and occupation					✓
In case risks/impacts were identified, they would be reviewed on an ad hoc basis. Moody's diversity goals are discussed in more detail in Moody's 2021 Stakeholder Sustainability Report .					
Occupational safety and health					✓
In case risks/impacts were identified, they would be reviewed on an ad hoc basis.					
Working conditions (wages, working hours)					✓
In case risks/impacts were identified, they would be reviewed on an ad hoc basis.					

Performance

6. What is the percentage of employees covered under collective bargaining agreements?

Percent of employees (%)

Unknown

Employees covered under collective bargaining (%)

9

7. What is the percentage of employees in a trade union or other workers' organization?

Percent of employees (%)

Unknown

Not applicable (Please provide additional information)

Employees in a trade union or on a worker committee (%)



8. In the course of the reporting period, what was the percentage of women in:

Percent of women (%)

Unknown

Senior leadership level position

31

Non-executive board

30

Optional comment

The 31% of female senior leadership level positions metric includes executives only. Executives represent CEO, CEO-Direct, Exec Directors, GMD, SMD and MD level. Moody's senior managers were 32% female in 2021. Senior managers represent AMD, Country Head, SVP and Senior Director level.

9. What was the average ratio of the basic salary and remuneration of women to men (comparing jobs of equal value) during the reporting period?

Salary ratio (%)	Unknown	Choose to not disclose
Women / Men (%)		✓
<p>Women globally earned \$0.99 for every \$1 earned by comparable men. This metric represents the dollar amount in base pay and bonus earned by women employees for every dollar amount earned by comparable men employees, as of April 1, 2022. Moody's conducts annual pay equity reviews for employees eligible for Moody's compensation programs, taking into account factors such as an employee's role, geography, seniority and tenure. The population studied for this metric includes employees eligible for Moody's compensation programs globally and excludes limited duration employees, non-employees, temporary workers and employees from companies acquired in 2H 2021. Employees from V.E and Four Twenty Seven were excluded from the analysis due to not being integrated into Moody's compensation programs at the time of the analysis and represent 3% of employees; their integration is scheduled for 2022.</p>		

Optional comment

We are committed to paying all of our employees equitably and fairly. We study 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, we consider meaningful factors such as job family, location, educational level and seniority. When we find inequities in our pay practices, we make the requisite adjustments. Each year we report our findings to our Board of Directors. We are proud to share the progress that we have made. While we are proud of this relative parity, we are by no means satisfied. We know that pay gaps constantly fluctuate for many reasons including changes to our business and employee movement in and out of the organization. Therefore, we are committed to dedicating the resources necessary to maintain pay equity and to drive pay decisions based on legitimate factors. To date, we have progressed on our pay equity efforts for women globally and for Black and LatinX employees in the U.S.

10. In the course of the reporting period, how frequently were workers injured (injuries per hour worked)?

Frequency of injury	Unknown	Choose to not disclose
Frequency of injury	✓	

Optional comment

Occupational health and safety measures and programs, such as communications, trainings and policies, are managed at either the local or regional level.

11. In the course of the reporting period, what was the company's incident rate?

	Incident rate	Unknown	Choose to not disclose
Incident rate		✓	

Optional comment

Occupational health and safety measures and programs, such as communications, trainings and policies, are managed at either the local or regional level.

Response and Reporting

12. In the course of the reporting period, has the company been involved in providing or enabling remedy where it has caused or contributed to the adverse impact associated with the following labour rights issues?

	Yes	No	Choose to not disclose	Not applicable (Please provide additional information)
Freedom of association and the effective recognition of the right to collective bargaining			✓	
Not applicable				
Forced labour			✓	
Not applicable				
Child labour			✓	
Not applicable				
Non-discrimination in respect of employment and occupation			✓	
Not applicable				
Occupational safety and health			✓	
Not applicable				
Working conditions (wages, working hours)			✓	
Not applicable				

13. Briefly describe practical actions the company has taken during the reporting period and/or plans to take to implement the labour rights principles, including any challenges faced and actions taken towards prevention and/or remediation.

For further information please see Moody's 2021 Stakeholder Sustainability Report and related policies at <https://about.moody's.io/sustainability-reports>

Environment

Commitment

1. Does the company have a formal policy on the following environmental topics?

	No, and we have no plans to develop a policy	No, but we plan to in the next two years	Yes, included within a broader policy	Yes, articulated as a stand-alone policy	Not applicable (Please provide additional information)
Climate Action				✓	
Updated in 2021					
Water					✓
Since Moody's is a professional services firm, its impacts related to water are limited and non-material.					
Oceans					✓
Since Moody's is a professional services firm, its impacts related to oceans are limited and non-material.					
Forests / Biodiversity / Land Use					✓
Since Moody's is a professional services firm and does not have factories or large operating facilities, and its operations do not require large amounts of land or natural resources, its impacts to forests/biodiversity/land use are limited and non-material.					
Air Pollution					✓
Since Moody's is a professional services firm, its impacts related to air pollution are limited and non-material. Greenhouse gas emissions are covered under Climate Action.					
Waste (e.g., chemical spills, solid waste, hazardous, plastic, etc.)				✓	
Updated in 2021					
Energy & Resource Use				✓	
Updated in 2021					

1.1. For each environmental policy, is it:

	Aligned with international environmental standards?	Publicly available?	Approved at most senior level of the company?	Applied to the company's own operations?	Applied to the company's supply chain and/or other business relationships?	Developed involving environmental expertise from inside and outside the company?	Other (Please provide additional information)
Climate Action	✓	✓	✓	✓	✓	✓	
Water							
Oceans							
Forests / Biodiversity / Land Use							
Air Pollution							
Waste (e.g., chemical spills, solid waste, hazardous, plastic, etc.)	✓	✓	✓	✓	✓	✓	
Energy & Resource Use	✓	✓	✓	✓	✓	✓	

Prevention

2. In the course of the reporting period, has the company engaged with affected stakeholders or their legitimate representatives in relation to the following environmental issues?

	No engagement on this topic	To better understand the risks/ impacts in question	To discuss potential ways to prevent or mitigate the risks/ impacts in question	To agree on a way to prevent/ mitigate the risks/ impacts in question	To assess progress in preventing/ mitigating the risks/ impacts in question	To collaborate in the prevention/ mitigation of the risks/ impacts in question	Other (Please provide additional information)
Climate Action							✓
<p>Moody's has engaged on climate action with affected stakeholders or their legitimate representatives in a number of ways. These include:</p> <p>» To agree on a way to prevent/ mitigate the risks/ impacts in question: In 2021, Moody's became the first S&P 500 company to ask its stockholders to vote on its Decarbonization Plan, which seeks to implement sustainable business plans and advocate corporate climate action while giving stockholders a meaningful voice. The Plan received 93% of votes in support.</p> <p>» To collaborate in the prevention/ mitigation of the risks/ impacts in question: In 2021, we hosted webinars for nearly 500 of our top suppliers, requesting that they participate in the annual CDP Climate Change disclosure and set their own science-based targets. With our executive leadership team, as well as through a partnership with CDP, we followed up directly with a number of our priority suppliers and reinforced our commitment to climate action and our expectations of key suppliers. As of year-end 2021, 28% of our suppliers by spend have set science-based targets. In addition, Moody's collaborates with other market participants in developing sustainability, including climate, standards. For example, by entering sustainability alliances, such as the Glasgow Financial Alliance for Net Zero (GFANZ), the Taskforce on Nature-related Financial Disclosures (TNFD), and the Taskforce on Climate-related Financial Disclosures (TCFD).</p>							
Water							✓
Oceans							✓
Forests / Biodiversity / Land Use							✓
Air Pollution							✓

	No engagement on this topic	To better understand the risks/ impacts in question	To discuss potential ways to prevent or mitigate the risks/ impacts in question	To agree on a way to prevent/ mitigate the risks/ impacts in question	To assess progress in preventing/ mitigating the risks/ impacts in question	To collaborate in the prevention/ mitigation of the risks/ impacts in question	Other (Please provide additional information)
Waste (e.g., chemical spills, solid waste, hazardous, plastic, etc.)							✓
<p>In 2021, Moody's updated its Environmental Sustainability Policy to reflect the Company's latest efforts to enhance its environmental performance and reach net-zero by 2040. The updated policy describes Moody's goals and initiatives to reduce emissions and other environmental impacts, including the introduction of waste targets, and was reviewed and approved by its Board of Director. In lights of these targets, Moody's has engaged on waste topics with affected stakeholder in a number of ways. These include:</p> <ul style="list-style-type: none"> » To discuss potential ways to prevent or mitigate the risks/ impacts in question: Implemented quarterly meetings among Moody's global office representatives to share best practices on reducing emissions from operations. » To assess progress in preventing/ mitigating the risks/ impacts in question: Launched a global office survey to assess progress on Moody's waste targets, which include: <ul style="list-style-type: none"> - Reduce office paper by 50% by 2025 from 2019 levels through initiatives such as reduction of individual printers and digitization of daily business activities; - Implement centralized waste collection in offices with more than 50 full-time employees by 2050; and - Phase out single-use plastics from our global operations by 2025, where possible. 							
Energy & Resource Use							✓

3. What type of action has the company taken in the reporting period with the aim of preventing/mitigating the risks/impacts associated with these environmental topics?

	Provided internal training/ capacity building for the direct workforce	Building capacity among relevant business relationships (e.g., partners, suppliers, clients, etc.)	Conducting an audit process and/or corrective action plan	Collective Action with peers or other stakeholders to address the issue	Collaboration with governmental or regulatory bodies	Other (Please provide additional information)	No action within reporting period
Climate Action	✓	✓	✓	✓	✓	✓	
<p>In 2021, Moody's accelerated its ambition to reach net-zero emissions by 2040, a decade earlier than its previous commitment to the UNGC Business Ambition for 1.5 °C. Moody's took significant steps towards this goal — set a long-term SBTi-validated net-zero target, progressed on its near-term net-zero targets to reduce GHG emissions, continued to procure 100% renewable electricity and to offset the remainder of our emissions from our operations, business travel and employee commuting.</p>							
Water				✓			
Oceans				✓			
Forests / Biodiversity / Land Use				✓	✓		
Air Pollution				✓			
Waste (e.g., chemical spills, solid waste, hazardous, plastic, etc.)	✓					✓	
<p>In 2021, Moody's updated its Environmental Sustainability Policy to reflect the Company's latest efforts to enhance its environmental performance and reach net-zero by 2040. The updated policy introduces Moody's waste targets, which include:</p> <ul style="list-style-type: none"> » Reduce office paper by 50% by 2025 from 2019 levels through initiatives such as reduction of individual printers and digitization of daily business activities; » Implement centralized waste collection in offices with more than 50 full-time employees by 2050; and » Phase out single-use plastics from our global operations by 2025, where possible. 							
Energy & Resource Use	✓		✓			✓	
<p>Moody's continues to procure 100% renewable electricity across its global operations.</p>							

4. How does the company assess progress in preventing/mitigating the risks/impacts associated with the following environmental topics?

	No monitoring of progress	Review issues on ad-hoc basis	Set annual targets/ goals, track progress over time (internal programs only)	Set annual targets/ goals, track progress over time (internal and external programs)	Other (Please provide additional information)
Climate Action				✓	
Water	✓				
Oceans	✓				
Forests / Biodiversity / Land Use	✓				
Air Pollution	✓				
Waste (e.g., chemical spills, solid waste, hazardous, plastic, etc.)			✓		
Energy & Resource Use			✓		

Optional comment

Since Moody's is a professional services firm, its impacts related to water, oceans, forests/biodiversity/land use, air pollution are limited and non-material. Greenhouse gas emissions-related impacts are covered under Climate Action.

4.1. For each environmental topic in which the company sets timebound goals / targets, what kind of targets has the company set?

Description of targets (e.g., what is the target, absolute vs. intensity, externally verified, on track, etc.)

Climate Action	<p>Moody's commits to reducing its GHG emissions and achieving net-zero by 2040. Moody's overall net-zero target: Moody's commits to reach net-zero greenhouse gas emissions across the value chain by 2040 from a 2019 base year. Moody's near-term validated science-based targets include:</p> <ul style="list-style-type: none"> » 50% reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030 (baseline: 2019) » 15% reduction in Scope 3 GHG emissions from fuel and energy related activities, business travel and employee commuting by 2025 (baseline: 2019) » 60% of suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025 » Procure 100% renewable electricity for our global operations <p>Moody's long-term validated net-zero science-based target: Moody's Corporation commits to reduce absolute scope 1, 2, and 3 emissions 90% by 2040 from a 2019 base year.</p>
Energy & Resource Use	To achieve its science-based targets to reduce GHG emissions, Moody's commits to procure 100% renewable electricity across its global operations.
Water	
Forests / Biodiversity / Land Use	
Air Pollution	
Waste (e.g., chemical spills, solid waste, hazardous, plastic, etc.)	<p>Moody's waste targets include:</p> <ul style="list-style-type: none"> » Reduce office paper by 50% by 2025 from 2019 levels through initiatives such as reduction of individual printers and digitization of daily business activities; » Implement centralized waste collection in offices with more than 50 full-time employees by 2050; and » Phase out single-use plastics from our global operations by 2025, where possible.
Oceans	

4.2. For each environmental topic in which the company sets timebound goals / targets, how is progress against target / goal tracked?

	Progress is reviewed against goals annually or more frequently	Progress is reported internally to the most senior level	Progress is reported externally	Other (Please provide additional information)
Climate Action	✓	✓	✓	
Energy & Resource Use	✓		✓	
Water				
Forests / Biodiversity / Land Use				
Air Pollution				
Waste (e.g., chemical spills, solid waste, hazardous, plastic, etc.)	✓		✓	
Oceans				

5. In the course of the reporting period, has the company been involved in providing or enabling remedy for any actual impacts associated with the following environmental issue(s)?

	Yes	No	Choose to not disclose	Not applicable (Please provide additional information)
Climate Action		✓		
Water				✓
Since Moody's is a professional services firm, its impacts related to water are limited and non-material.				
Oceans				✓
Since Moody's is a professional services firm, its impacts related to oceans are limited and non-material.				
Forests / Biodiversity / Land Use				✓
Since Moody's is a professional services firm and does not have factories or large operating facilities, and its operations do not require large amounts of land or natural resources, its impacts to forests/biodiversity/land use are limited and non-material.				
Air Pollution				✓
Since Moody's is a professional services firm, its impacts related to air pollution are limited and non-material. Greenhouse gas emissions are covered under Climate Action.				
Waste (e.g., chemical spills, solid waste, hazardous, plastic, etc.)		✓		
Energy & Resource Use		✓		

Optional comment

Moody's purchases offsets to compensate for the remaining emissions from operations, business travel and employee commuting. Moody's is also committed to purchase 100% renewable electricity across its global operations on an annual basis.

Climate Action

6. What were the company's gross global greenhouse gas emissions for the reporting period?

Scope 1 Emissions

Full	✓
None	
Emissions (tCO ₂ e)	851 mtCO ₂ e

Scope 2 Emissions

Full	✓
None	
Emissions (tCO ₂ e)	432 mtCO ₂ e market-based

Scope 3 Emissions

Full	✓
Partial	
None	
Emissions (tCO ₂ e)	121,280 mtCO ₂ e

7. What percentage of the company's revenue was invested in R&D of low-carbon products/services during this reporting period?

Percent of revenue (%)	
Unknown	
Not applicable (Please provide additional information)	✓

Moody's does not disclose the investment in R&D of low-carbon products/services. R&D is seen as an "enabler" for the ESG and Climate business to take place. Moody's ESG and Climate-related revenue for 2021 was \$170 million. This is comprised of approximately \$22 million from ESG revenue and \$150 million in climate-related revenue from RMS.

8. Has the organization acted to support climate change adaptation and resilience?

We have taken action to increase organization-wide resilience to climate change	✓
We have taken action to increase resilience in our supply chains	✓
We have taken action to increase resilience in the communities in which we operate	✓
We have provided funding for climate change adaptation and resilience initiatives and projects	✓
We have not taken actions to build climate change resilience in the reporting period	
Other (Please provide additional information)	
Unknown	

Energy / Resource Use

9. Please report the company's renewable energy consumption as a percentage of total energy consumption in the reporting period.

% of total energy consumption	100
Unknown	

Technology

10. What percent of the company's revenue came from environmentally friendly products / services during this reporting period?

Percent of total revenue (%)	
Unknown	
Not applicable (Please provide additional information)	✓

Moody's ESG and Climate-related revenue for 2021 was \$170 million. This is comprised of approximately \$22 million from ESG revenue and \$150 million in climate-related revenue from RMS.

Sector-specific Questions

11. Which sector(s) does the company operate in? If diversified, choose top 3 by revenue.

Oil & gas

Chemicals

Basic resources

Construction & materials

Industrial goods & services

Automobiles & parts

Food & beverage

Household & personal goods

Health care

Retail

Media

Travel & leisure


Telecom

Utilities

Banks

Insurance

Real estate

Financial Services 

Technology

Overall Environment

21. Briefly describe practical actions the company has taken during the reporting period and/or plans to take to implement the environment principles, including any challenges faced and actions taken towards prevention and/or remediation.

- » Procured 100% renewable electricity.
- » Implemented various projects to promote energy efficiency, including:
 - Increased temperature set-point in technology rooms;
 - Promoted participation in the Daylight Hour campaign, organized by the Building Energy Exchange to raise awareness about using natural light instead of electric light; and
 - Installed light saving mechanisms in some offices, such as sensor motion lights and energy saving LED lights.
- » Maintained business travel and employee commuting low in light of COVID-19.
- » Continued to implement an Internal Carbon Fee of USD \$50 per metric ton (mtCO₂e) on business travel emissions.
- » Continued to apply a shadow price on carbon to evaluate new office leases.
- » Launched an updated company-wide environmental sustainability policy.
- » Implemented quarterly meetings among our global office representatives to share best practices on reducing emissions from our operations.
- » Prioritized sustainable construction and furnishing materials in new real estate projects.
- » Continued to offset Moody's remaining carbon footprint from operations, business travel and employee commuting since 2000, when it became a public company. For more information, please refer to [Moody's 2021 Stakeholder Sustainability Report](#).

Anti-corruption

Commitment

1. Does the company have an anti-corruption compliance programme?

No, it is not an immediate business priority

No, but we plan to in the next two years

Yes



Updated in 2021

2. Does your company have policies and recommendations for employees on how to act in case of doubt and/or in situations that may represent a conflict of interest, e.g. with regard to gifts and hospitality, donations, sponsorship, or interactions with public officials?

No, and we have no plans to develop a policy

No, but we plan to in the next two years

Yes, included within a broader policy

Yes, articulated as a stand-alone policy



Prevention

3. Who receives training on anti-corruption and integrity?

No training provided	
Select employees	
All employees	✓
Contractors	
Direct suppliers of the organization	
Indirect suppliers of the organization	
Other – such as partners, clients, etc.	

3.1. How often is such training provided?

	One time only	Every year	Every two or more years	We do not collect this data
All employees		✓		
Select employees				
Contractors				
Direct suppliers of the organization				
Other – such as partners, clients, etc.				
Indirect suppliers of the organization				

4. Does the company monitor its anti-corruption compliance programme?

No, we do not monitor the anti-corruption compliance programme

Review issues on ad-hoc basis



Yes, through internal employee self-evaluations

Yes, through automated controls monitoring



Yes, through external independent monitoring



Yes, through other mechanisms

Response and Reporting

5. Please report the company's total number and nature of incidents of corruption during the reporting year.

	Number of incident(s)	Unknown	Choose to not disclose
Confirmed during the current year, but related to previous years	0		
Any such incidents required to be reported in Moody's SEC filings would be reflected in such filings. No such incidents were reported in SEC filings in the reporting period.			
Confirmed during the current year, and related to this year	0		
Any such incidents required to be reported in Moody's SEC filings would be reflected in such filings. No such incidents were reported in SEC filings in the reporting period.			

6. Within the reporting period, what measures has the company taken to address suspected incidents of corruption independently or in response to a dispute or investigation by a government regulator?

Initial case assessment

Internal investigation

Review by risk / ethics committee

Review by board of directors

External audit / review

Other (please provide additional information)

Not applicable/no incidents in the reporting period



7. Does your company engage in Collective Action against corruption?

No, it is not an immediate business priority



No, but we plan to in the next two years

Yes (please explain)

8. Briefly describe practical actions the company has taken during the reporting period and/or plans to take to implement the anti-corruption principle, including any challenges faced and actions taken towards prevention and/or remediation.

Our employees receive training upon hiring and periodically thereafter on our Anti-Bribery and Anti-Corruption Policy, which sets forth the expectation that employees comply with all applicable anti-bribery and anti-corruption laws. We have developed additional training on Anti-bribery and Anti-corruption (in addition to the periodic training) for targeted employees who are likely to interact with public officials. Additionally, we offer guidance through our internal Anti-Bribery Resource Center. For more information, see [Moody's Anti-Bribery and Anti-Corruption Policy](#).

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