

MOODY'S



WE



ARE



DIVERSITY, EQUITY AND
INCLUSION REPORT 2020



MOODY'S

Who we are and what we do

Our motto is “better decisions.” And better decisions come from different perspectives. For over 100 years, Moody’s success has been built on diversity of thought and cultures.



Moody’s is an integrated risk assessment firm that empowers organizations to make better decisions, from governments to corporations around the world. Every day, our data, insights and analytical solutions bring transparency and fair access to information to financial markets.

Our success in achieving this is only possible through the collective contributions of our diverse and inclusive global workforce. Put simply, our shared sense of belonging opens the door to shared progress. Together, we welcome people of all backgrounds, identities and abilities.

We are a global community. We are Moody’s.

Our sustainability strategy

Better business
For our operations and value chain

Better lives
For our people and communities

Better solutions
For market transformation

Read more about Moody’s sustainability work

[Stakeholder Sustainability Microsite](#)

[Stakeholder Sustainability Report](#)



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Powerful partnerships

A message from our President and CEO, Robert Fauber

At Moody’s, our role is to provide knowledge, clarity and fairness to an interconnected world. We know that the work that we do is greatly strengthened when we prioritize diversity, equity and inclusion (DE&I) in our workplace, our communities and in the markets we serve.

Real progress toward inclusivity requires us to leverage our expertise, resources and values to make lasting impact. We’ve created our first DE&I report to highlight our commitment to DE&I and to share the many initiatives we have underway to advance inclusivity.

The events of 2020 brought into stark focus the painful inequities in society and the inadequacy of the conversation around diversity. It also marked a shift in how we approach DE&I at Moody’s. Following the racial unrest in the U.S. in 2020, we started a dialogue among our employees to foster open and meaningful conversations in a new way. These discussions, on topics ranging from race to mental health, have put us on a new path.



We created the Moody’s Multicultural Customer Initiative to provide our products, services and knowledge to Black-owned financial institutions lending in communities with underrepresented populations. With a \$2.2 million pledge, we are providing students with educational opportunities, developing Black talent and supporting a range of equal justice efforts. I am also proud that we are one of the first companies to commit to achieving Management Leadership for Tomorrow’s Black Equity at Work Certification.

The breadth of programs and policies we have established in support of our diverse colleagues – people of color, women, LGBTQ+, Latinx and disabled employees and others – is a tremendous source of pride for Moody’s. Much of this work is championed by our Business Resource Groups (BRGs) and embodies our core values of a principled, inclusive and collaborative culture.

We recognize that our voice is important – for our employees and for the people we serve across the world. I’m proud to say that at Moody’s, every voice matters. We have come to greatly appreciate that resilience requires a strong community. We know that we are better together, and we will continue to use our voice to support diversity, equity and inclusion in our business and in the communities we serve.

Robert Fauber
President and CEO,
Moody’s Corporation

“2020 brought into stark focus the painful inequities in society and the inadequacy of the conversation so far around diversity. It also marked a tremendous shift in how we approach DE&I at Moody’s.”

Our Chief Diversity Officer on a changing culture

"DE&I is in Moody's DNA. It's something we say proudly, and often. For us, it is a business imperative."

Throughout 2020, the world became an increasingly complicated and challenging place. I am immensely proud of the strength shown by our employees in the face of the year's turbulent events.

Our people were forced to reckon with the disruptive and painful shared experience of the pandemic, and it brought us closer. Then, the shared pain of the killings of George Floyd – and countless others – shook our people. We couldn't ignore either of these cataclysmic events, and we're stronger now for going through them together and being open with one another that things were not, and are not, "OK."

As leaders, we recognized our fundamental role in creating spaces for experiences to be shared. We want to be a supportive and equal workplace where all employees in over 40 countries can thrive as their authentic selves. Our unity and resilience this year is testament to the inclusive culture we have built. Seeing our people come together in support of their Black colleagues and communities, I am heartened to know we are doing many things right, and doing our best by our people. But I also recognize that there is more work to be done, for the Black community and for people of all underrepresented groups across the globe.

DE&I is in Moody's DNA. It's something we say proudly, and often. For us, it is a business imperative.



DK Bartley
Chief Diversity Officer,
Moody's

Our ambition is to create a workforce that truly reflects our communities. Our business will only succeed if we have representation from the broadest talent pool.

We believe different backgrounds and cultures bring new perspectives and innovative ideas to the table. We are focused on creating spaces for more authentic, personal engagement and enabling more voices to be heard. We have come this far thanks to a continuous, purposeful conversation around diversity at all levels.

We believe Moody's can contribute to better lives, and now is the time. We are on the road to becoming a more diverse and inclusive company, and we're glad you can join us on our journey.



Our DE&I journey over the last few years

Over the years, we have done much to build DE&I at Moody's. Our DE&I timeline is a small snapshot of our wider activity.

2017

The first RE-IGNITE program empowers people restarting careers.



2018

Reshape Tomorrow™ helps women and entrepreneurs of color to grow their businesses.

Moody's Business Resource Groups (BRGs) celebrate 10 years. See pages 14 and 21 for more on Moody's 8 BRGs today.

2020

Moody's strengthens our commitment to DE&I with pledges to support diverse communities, partnerships to drive change and programs to boost a diverse and empowered workforce.

Highlights include:

- » \$2.2 million pledge to support educational opportunities, develop Black talent and contribute to a range of equal justice efforts
- » Moody's Multicultural Customer Initiative to support community development financial institutions
- » Moody's Be Counted initiative, which accounts for the proportion of LGBTQ+ employees in our workforce through voluntary self-identification.

2014

Launches the Senior Women Leadership Development program for senior-level women to expand leadership capabilities.



2019

Creates Moody's Future Solutions™ pro bono program to leverage employees' skills to help nonprofits.



2021

Establishes tangible commitments for advancing DE&I.

Pledges 5% of Moody's 2021 procurement budget toward integrating women-owned businesses into our supply chain.



More than
11,400
EMPLOYEES

Who we are: Race, ethnicity and gender data

We are committed to living out our mission to create equitable workplaces where each person can be their true selves, reach their full potential and thrive on every level.

U.S. Equal Employment Opportunity data

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



40+
COUNTRIES



33%
WOMEN AT
EXECUTIVE
LEVEL GLOBALLY

Our goals*

50% MINIMUM
representation of women globally at entry-level programs,¹ annually

8% INCREASE
in the number of women globally at officer levels² by 2025 as compared to 2020

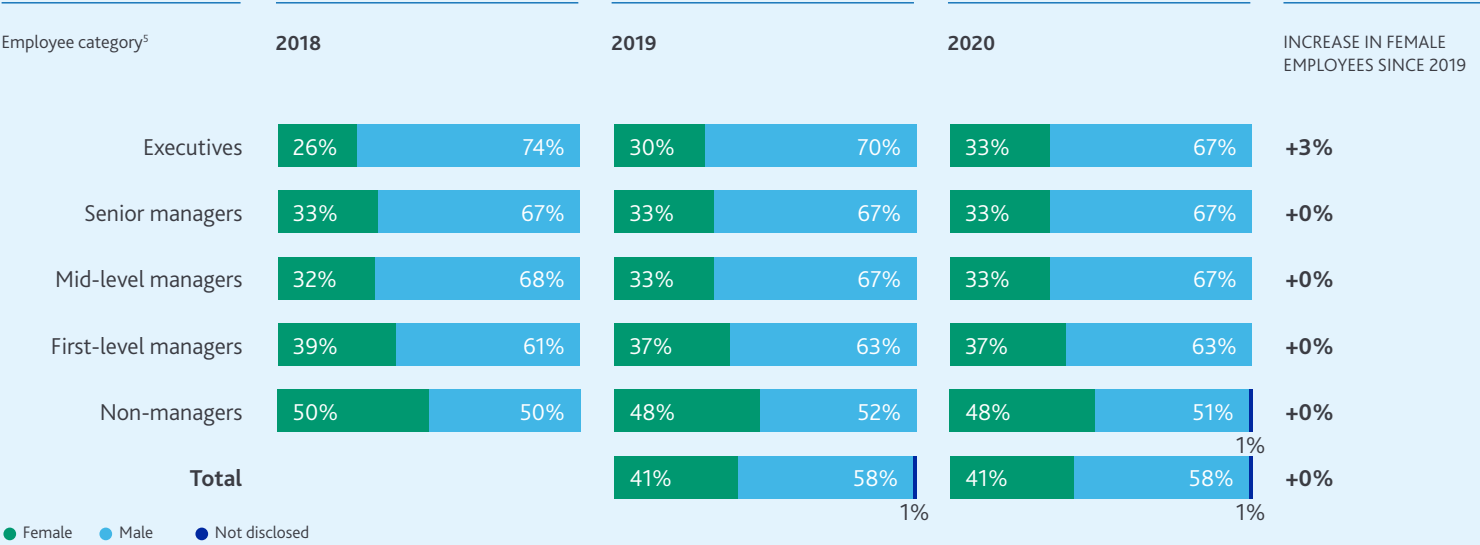
30% INCREASE
in the number of U.S. Black and Latinx leaders at senior levels³ by 2025 as compared to 2020

\$2.2 million
PLEDGED TO SUPPORT EDUCATIONAL OPPORTUNITIES, DEVELOP BLACK TALENT AND CONTRIBUTE TO EQUAL JUSTICE EFFORTS



46%
UNDERREPRESENTED
GROUPS IN THE U.S.⁶

Gender statistics: global workforce⁴



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.

Race and ethnicity statistics: United States

FIGURE 1
U.S. workforce 2019⁴

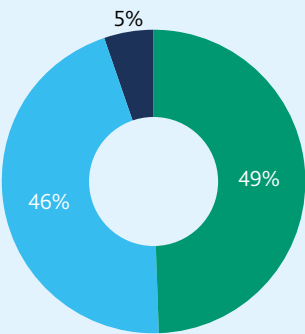


FIGURE 2
U.S. workforce 2020⁴

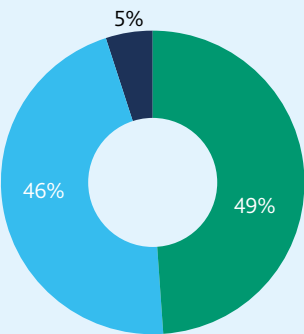
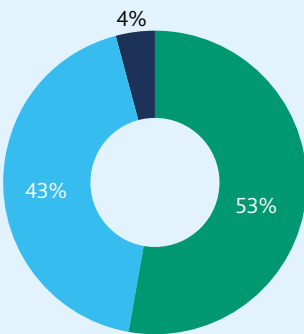


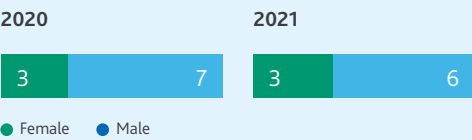
FIGURE 3
U.S. officers and managers 2020⁷



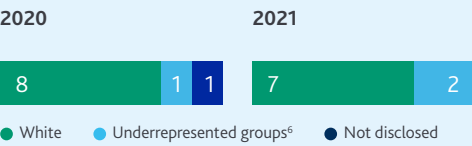
● White ● Underrepresented groups⁶ ● Not disclosed

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.
* 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.

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



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



Our DE&I ambition, strategy and goals

Our ambition
At Moody's, our DE&I ambition is to build an engaged workforce that represents the diverse communities we seek to serve, as well as the broad range of suppliers we partner with. We have a strong focus on empowering women leaders on a global scale and increasing the racial and ethnic diversity of our employees.

Our strategy
Our global DE&I strategic framework aims to drive a culture of diversity, equity and inclusivity across four key areas: our workforce, workplace, customers and communities. The framework aligns to our company's business priorities, talent strategy, culture and long-term value proposition, and provides a structured approach to advance our DE&I strategy and goals.

Our goals
In 2021, as part of Moody's commitment to inclusion and diversity, we established three goals to increase representation across our global workforce. We are voluntarily disclosing these goals because they are material to our business, helpful to our stakeholders, and increasingly expected by investors. The goals are:

- » 50% minimum representation of women globally at entry-level programs,¹ annually;
- » 8% increase in the number of women globally at officer levels² by 2025 as compared to 2020; and
- » 30% increase in the number of U.S. Black and Latinx leaders at senior levels³ by 2025 as compared to 2020.

In addition, we endeavor to provide human capital disclosure that provides data and context on our DE&I work, including on:

- » employee health and well-being;
- » DE&I and equal opportunities;
- » incentives and risk culture;
- » training and upskilling;
- » transparency and reporting; and
- » Board diversity.

Moody's global Diversity Council created and oversees the DE&I strategy and goals, which span the three main areas of our business, Moody's Investor Service (MIS), Moody's Analytics (MA) and Moody's Shared Services (MSS), across the Americas, Europe, the Middle East and Africa (EMEA) and Asia-Pacific (APAC).

UN Sustainable Development Goals
Our [sustainability strategy](#) aligns with key UN Sustainable Development Goals. By aligning with the UN's recommendations and evaluating our impact on those goals where we can drive the most value, we can contribute more effectively to addressing these global challenges (described below) by 2030.

5

GENDER EQUALITY

Provide equal opportunity; increase senior-level female representation

9

INDUSTRY INNOVATION AND INFRASTRUCTURE

Help enable small and medium-sized enterprises (SMEs) to scale their businesses by facilitating capital and market access through programs such as Reshape Tomorrow™

10

REDUCED INEQUALITIES

Foster inclusion in our workforce and value chain through initiatives like Moody's Courageous Conversations and our Supplier Diversity program

13

CLIMATE ACTION

Decarbonize our operations and value chain

17

PARTNERSHIPS FOR THE GOALS

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



Key 2020 DE&I highlights

In a year of concerted action, our DE&I work has focused on the pledges, partnerships and programs with the most positive impact for our employees and communities. Our most significant achievements include:



Committed to the **Black Equity at Work Certification** launched by Management Leadership for Tomorrow (MLT) to help increase accountability and transparency in increasing Black representation.



Launched **regional diversity councils** to address and embed DE&I strategy in line with local customs and policies.



Named in **DiversityInc's Top 50 Companies for Diversity** and **Bloomberg's Gender-Equality Index**.



Established and enhanced **employee programs**, including launching the **TIDE high potential initiative for diverse leaders** and transforming the **Senior Women Leadership Development program**.



Enhanced **DE&I training for employees** and rolled out the **Inclusion Works Mobile app** as a DE&I resource for managers.



Established the **\$1.2 million Ray McDaniel scholarship program** to support Black talent.



Looking ahead
In 2021 and beyond, we will strengthen the programs, partnerships and commitments outlined in this report, and explore new opportunities to activate better lives for our employees and the communities in which we live and work.

One of our top priorities is to continue to cultivate and advance the development of a diverse talent pipeline, with a focus on career mobility, skills growth, experiential learning and leadership skills. We have proudly launched the following:

- » Horizons: an early career development program for women;
- » RISE: a nine-month development program for mid-level women employees that provides participants with personalized development planning, coaching and mentoring;
- » SURF: a two-year talent acceleration program for emerging diverse employees that provides participants with structured learning activities, enhanced career opportunities and exposure to senior leaders; and
- » Global Women's Leadership Council: a new council that comprises 10 women and 2 men who share a passion for diversity and the development of the company's future women leaders.

"Our DE&I ambition is to build an engaged workforce that represents the diverse communities we seek to serve, as well as the broad range of suppliers we partner with."

Robert Fauber,
President and CEO

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.
* Assistant Vice President/Assistant Director/Associate Director & above

WE ARE

TAKING

A STAND

Championing racial justice

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“The work of breaking down barriers for underrepresented groups in the workplace, in finance and in society starts with advancing Black culture. This year, we're proud to have pledged \$2.2 million to support the Black communities where we live and work – and close the gap in finance and tech.”

DK Bartley,
Chief Diversity Officer

Awards

Top 50 Companies for Diversity 2020

DiversityInc

Top Diversity Leader in Europe 2020

A top 3 company in the banking and financial services industry

FINANCIAL TIMES

America's Most Responsible Companies 2021

Newsweek

Advanced Employer 2020 in Investing in Ethnicity's Maturity Matrix



Partnerships

\$100,000 donation to

Equal Justice

Early adopter of MLT's Black Equity at Work Certification



Diversity and Inclusion training



\$6 million in treasury deposits placed in three Black-owned banks through Moody's Multicultural Customer Initiative in 2020



THE FIGHT FOR RACIAL EQUITY IN 2020

The killings of George Floyd, Ahmaud Arbery, Breonna Taylor and countless other acts of anti-Black and anti-Asian racism have shaken us as individuals, as a business and as a community.

These injustices highlighted deep inequities in our society. At Moody's, it also opened our eyes to the fragility of our safe, supportive four walls – and how much more we must do in the fight for racial equity.

Remaining true to our values means standing unequivocally with Black, Asian, Latinx and all other underrepresented communities. It means doing better to elevate diverse voices and diverse talent. And it means challenging the historic shortcomings of the financial services industry head on.

Racial equity for Latinx and Asian communities

At Moody's, we support efforts to strengthen racial equity in our communities. We are dedicated to supporting our Asian and Latinx employees and we're creating vital education and career opportunities for their communities to pave the way to a more equitable financial sector and society.

Supporting Latinx communities

A subcommittee of Moody's Multicultural BRG (see page 21) and led by employees, conectaMos's mission is to promote and advance 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.

As a member of the Association of Latino Professionals For America (ALPFA), Moody's provides opportunities to Latinx talent including internship and full-time roles. In 2020, Moody's 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.

Asian Leadership Initiative (ALI)

ALI (a subcommittee of Moody's Multicultural BRG) creates programs to raise awareness around issues affecting Pan-Asian employees and develop and retain Pan-Asian talent. The ALI six-month mentoring program paired 50+ employees and managers of Pan-Asian background.

Other 2020 activities included hosting panel discussions for Asian American and Pacific Islander Heritage Month in the U.S., and Asian Lunar New Year and Diwali (Deepavali) global cultural celebrations.

Investments in Black equity

Real progress requires real commitment. That's why, in 2020, we pledged \$2.2 million and pro-bono services to support educational opportunities, develop Black talent and contribute to a range of equal justice efforts.

Sponsoring the education of young Black talent

Providing education opportunities is crucial to redressing racial inequity. Our focus is to bridge the gap in the financial services sector by providing a pipeline for young Black professionals. In October 2020, Moody's announced the \$1.2 million Ray McDaniel scholarship program in partnership with the Executive Leadership Council (ELC), an organization opening channels of opportunity for the development of Black talent and future leaders. The program will pay college fees and provide financial support, internships and employment opportunities to 30 students over five years, bringing diverse talent and perspectives to the Moody's family.

\$1.2 million

RAY MCDANIEL SCHOLARSHIP PROGRAM

to cover college fees and provide financial support, internships and employment opportunities.

\$1 million

COMMITTED FOR EQUAL JUSTICE

with \$100,000 donated to the Equal Justice Initiative

\$6 million

IN TREASURY DEPOSITS

placed in three Black-owned banks through Moody's Multicultural Customer Initiative in 2020

Investing in the Black community

Moody's has 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](#) (EJI), a nonprofit organization that provides education on racial and economic injustice. Additional donations will be made in consultation with Moody's employee-led Black Inclusion Group to ensure that we have the maximum positive impact possible.

Building a sustainable ecosystem for Black entrepreneurs

Black-owned businesses and entrepreneurs play a vital role in catalyzing economic mobility for the Black community, yet face many challenges when trying to access capital and grow their enterprise – an issue that has been exacerbated by the COVID-19 pandemic.

As part of our commitment to supporting Black entrepreneurs, we have partnered with Village Capital, a fund backing diverse entrepreneurs on its reSource program. Co-designed and co-led by the Black Innovation Alliance, the program will support 13 entrepreneur support organizations (ESOs) across the U.S. with the goal of building a stronger, more sustainable ecosystem for business founders of color. In addition to funding from the Moody's Foundation, members of our Black Inclusion Group will provide mentorship opportunities to over 200 entrepreneurs throughout the U.S. by the end of 2021, helping them to overcome challenges and scale their businesses. See page 14 for more on our Black Inclusion Group.

Supporting multicultural institutions

We work with the following guiding principle: Financial knowledge empowers people. As good corporate citizens, it's our responsibility to use our knowledge to guide others. In 2020, we launched Moody's Multicultural Customer Initiative to support multicultural institutions with our expertise, products and services to help them grow and prosper.

As part of this initiative, we have engaged several community development financial institutions (CDFIs) in the U.S. that promote economic revitalization within distressed communities. As a first step, we invested \$6 million with three Black-owned banks in 2020 to help support the communities they serve. This represents the start of what we hope will be long-term partnerships with similar institutions, including those outside the U.S., to bring financial opportunities to underserved and diverse communities.

The Black Equity at Work Certification

To keep us accountable in our commitment to Black equity, 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 (MLT).

Moody's will create and submit a comprehensive and rigorous plan to accelerate Black representation and contribute to racial justice efforts, in order to achieve the certification. We will also disclose relevant DE&I data, which will be made available on MLT's platform. This groundbreaking certification is vital to move the DE&I accountability agenda forward and ensure results.



Stephen Tulenko,
President of Moody's Analytics, Executive Sponsor of the Ray McDaniel scholarship program

RACISM HAS NO PLACE HERE

At Moody's, we are actively working to combat racism by building a culture of allyship and accountability into our day-to-day lives.

Our employees are at the heart of our DE&I strategy. We are listening and learning about different experiences, and particularly the experiences of people of color, as we transform our DE&I work to drive meaningful, long-term progress.

Courageous Conversations

Real change begins with reflection and conversation. We are promoting cultural awareness through internal conversations on diversity. We started the Courageous Conversations series in 2020 to engage the whole company and reflect collectively.

These conversations have been a powerful incubator for learning, from understanding how racial unrest affects our employees across the world to educating our leaders on the experiences of those from diverse backgrounds.

Allies at work, and at home

We invest in comprehensive education programs for all employees globally to promote empathy, and to instill DE&I into our behavior. These include:

- » best-in-class diversity and inclusion training with specialist coaches who use science to help people better understand how they think and make decisions;
- » a micro-aggressions workshop to help shine a light on the inadvertent behaviors that people exhibit every day that cause divides; and
- » inclusive leadership training for the Executive Leadership Team, Global managing directors and DE&I Ambassadors. For more on this, see page 19.

Black Inclusion Group

Our employee-led Black Inclusion Group (BIG) BRG empowers Black employees through networking, educational and leadership opportunities. The group also collaborates with the Diversity Council to find ways to support racial justice organizations and initiatives. The BIG's activities will align with Moody's policies and business activities. In 2020, the BIG was expanded from New York to the EMEA region. Learn more about Moody's Diversity Council on page 15 and Moody's other BRGs on page 21.

DE&I Ambassadors program

We want our people to facilitate discussions that engage all perspectives. We achieve this through our DE&I Ambassadors program. We have more than 90 employees who volunteered to become DE&I champions to:

- » serve as open-minded role models to others;
- » build inclusive, engaged, high-performing teams;
- » manage a diverse workforce; and
- » encourage creativity and innovation.



Management approach and the Diversity Council

We want to build a truly inclusive, diverse workplace, where every person can reach the top.

To succeed, we have created a DE&I framework, with our Diversity Council, Chief Diversity Officer and DE&I Ambassadors at its heart.

Moody's is committed to making diversity, equity and inclusion (DE&I) part of the fabric of our organization. And our commitment starts with our leadership. Our President and CEO Robert Fauber chairs the global Diversity Council, a body that oversees Moody's DE&I strategy.

We know that lasting change requires effort at every level. So, in 2020, we established a new DE&I framework centered around our three Diversity Councils (Executive DE&I Council, Regional EMEA DE&I Council and Regional APAC DE&I Council) and DE&I Ambassadors. By setting policies and goals, we're advancing diverse representation, racial equity, gender parity and cultural competency at Moody's and in the communities where we live and work.

The Diversity Council is composed of committed senior leaders, often with a connection to DE&I or who have been engaged with Moody's Business Resource Groups (BRGs). See page 21 for more on our BRGs.

The Diversity Council helps drive real, lasting change by encouraging Moody's to always do the right thing, every step of the way. The council meets quarterly and focuses on strategic priorities to ensure that Moody's is an employer of choice for all.

The launch of our regional diversity councils in EMEA and APAC marked a key achievement toward our goal of global equity and ensuring that our strategy is effectively adapted and implemented in ways that are authentic and resonate with local policies and customs.



WE

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DIVERSE

A culture of inclusion

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"The best thing about working at Moody's is the culture of collaboration between people of different backgrounds and cultures – seeing that in action really drives home the message that diversity is our strength."

Ronald Chan,
Assistant Vice President, Government & Public Affairs,
and Co-Chair of Moody's LGBTA BRG (APAC)

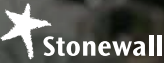
Awards

2021 Gender-Equality Index

100% score in 2021 Corporate Equality Index Name a Best Place to Work for LGBTQ Equality

Bloomberg

Top 100 Employers 2020



Top Companies for LGBT Employees 2020

Top 75 Companies for Executive Women

Top 100 Companies for Women

Best Companies for Dads

DiversityInc

WORKING MOTHER

ALL RISE: DEVELOPING DIVERSE TALENT

We help people invest in a better future – just as we invest in our people, for a better future. When we empower our employees to succeed, great things happen.

At Moody's, we're taking action. We're hiring diverse talent and providing underrepresented groups with equitable opportunities in their careers. We're educating, empowering and elevating our people, every day. Whether providing leadership opportunities to a person of color or helping a mother or veteran return to work, we work hard every day to support each individual so that they have the support and confidence on their unique path to success.

A rising wave of new leaders

We want our leadership to reflect the diversity of the world around us, and to show within our four walls and beyond that any employee can lead. In 2020, we launched the TIDE program aimed at elevating 25 women and people of color with high potential to leadership positions through a year of executive mentorship, development, training and networking opportunities.

Moving mentorship forward

Unleashing potential beyond our leadership is at the core of our strategy to develop diverse talent. TIDE's 25 mentees will be paying it forward in 2021 in our new SURF program, each mentoring five people at the next level down. Throughout the year, the careers of 100 people will be enhanced through collaboration and support.

Rekindling careers

In 2020, we announced plans to expand our RE-IGNITE program from the U.S. to EMEA in 2021. The 16-week paid initiative is designed to give opportunities to people who have been out of the workforce for two years or more, such as mothers. We aim to increase diverse representation, attract top talent and tackle the challenges of re-entering the workforce with support and mentorship.

"TIDE has been formative and inspiring. Because of my mentor's knowledge and openness, I was able to activate a clear development plan and benefit from reflective learning. The TIDE cohort has become a real community and a true safe space for us to exchange ideas."

Gwen Safa,
Managing Director, Brand Management
& Corporate Marketing

40%
OF TIDE PARTICIPANTS

received promotions, expanded roles or were offered additional opportunities at Moody's

Our recruitment and management strategy

This year, we've stepped up our efforts to drive long-term, sustainable transformation in DE&I through how we recruit, develop and retain the very best diverse talent.

Enhancing our talent acquisition process

We revolutionized our talent acquisition strategy to embed DE&I best practices at all stages, with an emphasis on increased collaboration between the Talent Acquisition team and hiring partners.

Key components include recruitment strategy meetings, diverse candidate slates and data-driven insights to enable hiring managers and recruiters to hire top diverse talent. A structured and objective interview process ranges from diverse selection panels and behavior-based interviewing to formalized consistent rating scales and debrief meetings. We also engage with our BRGs and external partners to reach as wide a range of people as possible from different communities and backgrounds.

Leadership Essentials program

All frontline managers take the six-month-long immersive Leadership Essentials program to gain core leadership skills through 360° assessments, virtual lectures on fundamental management skills, application labs and personal development plans. This promotes accountability and ensures that our diversity, equity and inclusion values are always reinforced throughout every team. Areas of focus include unconscious bias, empathy and how to foster inclusion and advocate for others.

"Moody's commitment to promoting inclusivity is exhibited through the culture, development and services we have in place to support women, people of color and LGBTQ+. We invest in this because we believe it is essential for everyone's success."

Melanie Hughes,
Chief Human Resources Officer



Inclusive DE&I app

We are proud to have developed an interactive Inclusion Works app with Hive Learning, launched in April 2021 following a successful pilot program in which all Moody's DE&I Ambassadors took part. The app is designed to complement the DE&I training of all managers at SVP level and above. As a tangible resource for our managers to operationalize DE&I, it focuses on:

- » peer learning resources on building an inclusive culture and psychological safety in teams;
- » key principles (i.e., accountability, actionable changes, and improved habits and behaviors); and
- » outcomes (i.e., facilitate meaningful conversations and encourage shared learnings).

269
PARTICIPANTS IN LEADERSHIP
ESSENTIALS TRAINING

as of December 2020

CHAMPIONING GENDER EQUALITY

Across the world, women are spearheading change. Their hard work drives growth. And yet, today, there are still fewer women than men in most senior roles.

“Gender equality is a cause that is very close to my heart. As a woman in the financial services sector, there are many challenges to climb the ladder, but Moody’s supported me to where I am now. I’m hugely proud of how far we have come as we blaze a path for more gender parity.”

Wendy Cheong,
MD, Regional Head, APAC

33%
OF MOODY’S EXECUTIVES
ARE WOMEN

a 7% increase since 2018

33%
OF SENIOR MANAGEMENT
ARE WOMEN

steady since 2018

We choose to challenge the status quo and continuously champion gender equality through our insights, workplace programs and community partnerships. We are committed to improving our representation of women in the business, through more gender-balanced recruiting, pay parity, leadership programs and making flexible work arrangements available for all staff.

Bloomberg Gender-Equality Index
We are pleased to have been named on the 2020 and 2021 Bloomberg Gender-Equality Index. Moody’s was included for scoring at or above a global threshold established by Bloomberg to reflect a high level of disclosure and overall performance across the framework’s five pillars: female leadership and talent pipeline; equal pay and gender pay parity; inclusive culture; sexual harassment policies; and pro-women brand.

Tackling the gender pay gap
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.

Leading women
In 2020, Moody’s expanded our 12-month Senior Women Leadership Development program, providing the resources for senior-level women to expand their leadership capabilities through classroom trainings, executive coaching, cohort networking and senior leader meetings.

Supporting working parents
Workplace flexibility, gender-neutral parental leave and phase-back programs are all integral to supporting the development and advancement of women and parents to leadership roles.

Mentoring women in the ethical and Islamic finance industry
In 2020, Moody’s joined the Women in Islamic & Ethical Finance Forum (WIEFF) to lead a mentoring program to support and expand the interests of women in the Islamic and ethical finance industry.

Our Senior Women Development Program highlights that more than half of participants received promotions, expanded responsibilities or global mobility at Moody’s.

Note: Data represents program results since its inception in 2014 and as of December 31, 2020.

Empowering our people

At Moody’s, we want every employee, regardless of race, gender, ethnicity, sexual orientation, background or ability, to have the confidence to bring their best self to work. This starts with creating a space where all employees are heard and valued.

Sharing work-life experiences with leadership
In 2020, we launched the reverse mentoring program Power To Act, connecting leadership to diverse employees in the U.S. By discussing a range of topics, including privilege and talent management, senior leaders learned about challenges faced by employees, and implemented next steps such as multicultural management best practice.

Moody’s Be Counted
In 2020, Moody’s launched the Be Counted initiative, which accounts for the proportion of LGBTQ+ employees in our workforce through voluntary self-identification. The self-identification data is used to review and boost Moody’s leadership development programs, in aggregated and anonymized form.

Surrogacy assistance and adoption programs
To serve the needs of our diverse and LGBTQ+ employees, we’ve strengthened Moody’s parental benefits. We introduced a Surrogacy Assistance program and increased our Adoption Assistance program to provide reimbursement for expenses related to surrogacy and adoption.

➔ Read about Moody’s sustainability work in our [GRI Report](#) and [WEF Report](#)



Moody’s Business Resource Groups

2020 marked a major shift in how we engage with and address employee concerns. Our Employee Resource Groups (ERGs) became Business Resource Groups (BRGs). Each BRG has a strategic role advancing Moody’s DE&I agenda, with active participation across the organization, and will align with Moody’s policies and business activities. More than 5,400 employees are members of a BRG. We announced this major transition during a virtual three-day global DE&I summit in January 2021 on the theme of Equity, Representation and Belonging, attended by our BRG co-chairs and leaders.

Accessibility and digital inclusion: EnAble BRG
EnAble BRG was launched in 2020 to advocate for an inclusive, accessible and stigma-free workplace where employees with disabilities are valued and have the opportunity to advance and thrive professionally.

Supporting mental health: Moody’s Minds BRG
Moody’s Minds, available across the EMEA region and expanding to include the U.S. and Canada in 2021, provides a safe space to discuss mental health, and has been vital for staff well-being during the COVID-19 pandemic.

Black Inclusion Group
See page 14 for more.

Moody’s Generational BRG
Our Generational BRG seeks to leverage the insights and experiences of our multigenerational workforce and support the development of all age groups in the workplace.

Moody’s Pride BRG
Moody’s Pride BRG advocates for a work environment that promotes equality and respects, welcomes and supports LGBTQ+ professionals.

Moody’s Multicultural BRG
Moody’s Multicultural BRG seeks to leverage diverse talent by promoting recruitment, professional development and networking opportunities for all ethnically diverse employees at Moody’s.

Moody’s Veterans BRG
Moody’s Veterans BRG was created to recognize and support veterans, active duty military personnel and military families, both at Moody’s and in our communities.

Moody’s Women’s BRG
Moody’s Women’s BRG aims to enhance the recruitment, retention and professional development of female professionals through programs that improve interaction – both internally and in the community – acting as a collective voice for raising women’s issues to senior management.

WE ARE CHANGE MAKERS

Making DE&I a business imperative

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"During our partnership, Moody's has supported various research projects and initiatives that explore challenges and promote solutions to issues businesses face when establishing DE&I best practices. We look forward to our continued partnership with Moody's to advance inclusive workplaces in the region."

Peter Sargent,
CEO, Community Business, Diversity and Inclusion
in Asia Network (DIAN)



TRANSFORMING BUSINESS TO TRANSFORM SOCIETY

“Moody’s is well positioned to facilitate capital market transformation. Incorporating ESG considerations into our products and services helps market participants make better decisions and enhances our corporate performance. We are on the path to leading a transformation that creates long-term value for all of our stakeholders.”

Mark Kaye,
Chief Finance Officer

Moody’s is a company with a global network and a global reach. Through our products and research, we give confidence to decision-makers across financial markets, worldwide. We are harnessing the trust that we have built for over 100 years to provide valuable insights into ESG, of which DE&I is an important component.

Leading insight, championing change
At Moody’s, we have always led the way in providing the data and analysis needed to help market participants make better decisions. In today’s fast-evolving landscape, where ESG considerations increasingly count for as much as financial performance, our goal is to be a catalyst of positive, systemwide change.

We know that environmental and social factors are deeply interlinked and significantly impact global DE&I issues, including economic inequality and racial justice. As Larry Fink, CEO of BlackRock, has highlighted, improved data and disclosures are vital to help us better understand how environmental and social issues interact.

For this reason, and to meet the rising global demand for both sustainable finance and environmental, social and governance (ESG)

insights, our approach has been to develop a comprehensive suite of products and services that integrate ESG considerations. These solutions inform more sustainable and better capital allocation decisions, and in turn, help solve complex problems and advance a more inclusive, equitable and sustainable global economy.

We are committed to leveraging our credit risk, data and analytics tools and research to drive greater knowledge and promote transparency around ESG. We recognize the role we can play in providing financial support to improve DE&I in our communities and society. We hold ourselves to this high standard because it is expected by stakeholders and investors, but moreover because it is our duty as a good corporate citizen.

➔ Read about Moody’s sustainability work in our [Stakeholder Sustainability Report](#) and [Microsite](#)

Tackling COVID-19 together
During the COVID-19 pandemic, Moody’s has taken action to help market participants understand the financial implications of the pandemic, support our existing partners and organizations carrying out vital relief work and protect our employees. This included launching a \$1 million program to support nonprofits and communities, providing free access to Moody’s products and solutions to expedite small business borrowing under the CARES Act, and supporting government agencies and policymakers to assess the risks of and response to the pandemic. We also prioritized the health and safety of our employees by transitioning to remote work, making sure that all employees have the information and the technology they need to work effectively from home for an extended period.

Supporting small businesses
Small businesses have been hit hard by the pandemic, especially those owned and operated by women. Through Moody’s Reshape Tomorrow™ program and our partnership with WEConnect International, we’re providing resources, knowledge and connections to help women-owned businesses to access markets and capital, find qualified buyers and scale their enterprises. See page 26 for more on our work supporting underrepresented businesses and communities.

Gender, race and ethnicity research

Moody’s publishes research on gender and race equity that highlights key disparities and provides analysis on the impact to credit risk. This research is vital in analyzing the impact of inequalities across sectors and countries globally. It highlights that inequality – racial, gender or otherwise – raises social risk and can lower economic, fiscal and institutional strength.

We show that income and wealth inequality is evident along racial lines and is driven by obstacles specific to the Black community. Higher inequality is linked with lower GDP growth and is associated with lower institutions and governance strength, while rising social risk can carry negative longer-term implications if left out by policymakers.

Our research has also found that gender gaps are structural and pervasive around the world. The pandemic has exacerbated this and heightened awareness of the social and economic risks associated with it. Actions by governments, corporations and other organizations to promote gender equity in employment, income and access to finance will have far-reaching economic and social benefits. Increasing women’s economic participation would support U.S. output, consumption, household finances and fiscal strength. Progress toward gender equality also has macroeconomic benefits, with a link to economic growth and positive credit effects. Our new [Gender & Finance hub](#) highlights our latest gender research.

ONLY 34%
OF BUSINESSES ARE OWNED
BY WOMEN GLOBALLY

➔ Source: [Moody’s report](#)



POWERFUL PARTNERSHIPS

Our DE&I efforts within our four walls are powerful. But no business can achieve societal change alone. This year, we have spearheaded investment in external partnerships to step up our work in the business community and society at large. Moody's conducts extensive stakeholder engagement and outreach across many channels and partnerships to help increase supplier diversity, protect human rights and create equal opportunities.

Moody's Supplier Diversity program

We hold our suppliers to the same high standards that we hold ourselves, ensuring we work with suppliers that embody DE&I principles. Our Supplier Diversity program provides businesses owned by underrepresented groups with equal access to opportunities to conduct business with Moody's. Most recently, we furthered our supplier diversity by pledging 5% of our 2021 procurement budget toward integrating women-owned businesses into our supply chain.

We believe this is a powerful tool to create jobs, opportunity and growth for the diverse customers and communities we serve – and to develop new markets in the changing global environment.



Responsible marketing and sponsorships

Across our communications and products, we are committed to reflecting the diverse experiences and points of view of our stakeholders and communities to eliminate bias and discrimination.



Environmental Justice: Moody's ESG Solutions

With global demand for both sustainable finance and ESG insights rising, we launched Moody's ESG Solutions, a business unit tasked with developing a comprehensive suite of products and solutions that inform more sustainable decisions and, in turn, help advance a more resilient future. Moody's ESG Solutions integrates forward-looking, location-specific and globally comparable climate data into our world-class economic and financial risk models to help organizations navigate the financial and social impacts of climate change and seize new opportunities for value creation.

We are committed to providing insights about environmental injustice, equitable adaptation to climate change, and the interplay of race and climate change through webinars, publications and research. In July 2020, we published a research paper on racial justice and climate change exposure, which explores the factors that shape vulnerability to climate hazards among poorer neighborhoods, people with chronic medical conditions and people with reduced access to care and preventative services.

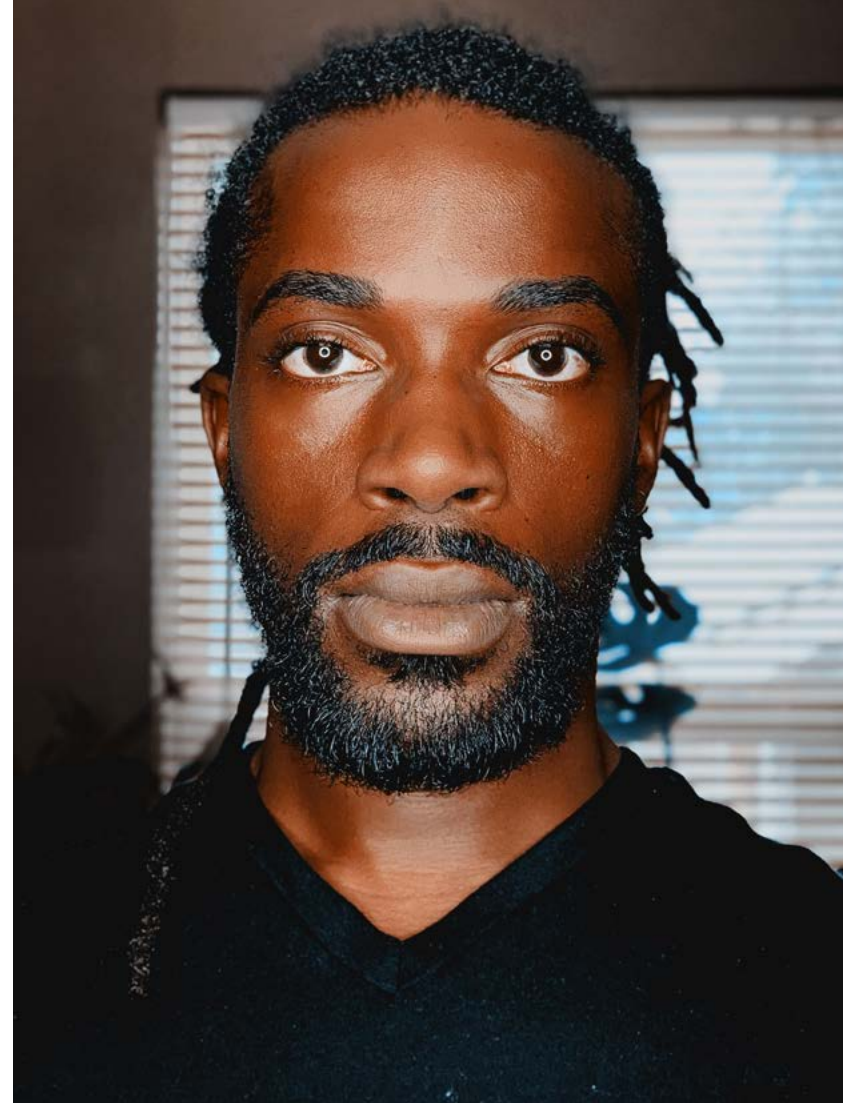


[Read more about Moody's Climate Solutions](#)

THE TIME IS NOW

"We know Moody's has an important role in improving representation in the financial sector, and now is the time. Moody's is continuing on the road to becoming a more diverse and inclusive company, and we're glad you can join us on our journey."

DK Bartley,
Chief Diversity Officer, Moody's



To learn more and to contact us, please visit:
moodys.com/diversity



MOODY'S

