

# Global Tax Policy

**Issued by:** Global Tax Team

**Scope:** Moody's Corporation and its consolidated subsidiaries

**Effective Date:** May 3, 2022, to be monitored and reviewed by the Global Tax Team annually

*Moody's Corporation ("Moody's" or the "Company"), and its consolidated subsidiaries, is a global integrated risk assessment firm that empowers organizations to make better decisions. Our data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others. We believe that greater transparency, more informed decisions and fair access to information accelerate shared progress. With over 13,000 employees in more than 40 countries, Moody's combines international presence with local expertise and over a century of experience in the financial markets.*

*Moody's is committed to paying its fair share of taxes in the countries and localities in which it operates and generates profits. Through its global tax payments, Moody's contributes to initiatives that support communities all over the world.*

Moody's Global Tax Policy (the "Policy") sets forth and aligns the Company's tax practices and strategies with Moody's Stakeholder Sustainability framework, which connects corporate activities to Moody's business purpose of providing knowledge, clarity and fairness to an interconnected world. The Policy is periodically updated by the Moody's Global Tax team and approved, as necessary, by the Audit Committee of the Board of Directors, which reviews and provides feedback on the Policy.

This Policy is aligned with our Company values that are at the root of everything we do at Moody's – being principled, inclusive, collaborative, rigorous and forward thinking. These values guide our approach in a complex and evolving global environment <https://about.moody's.io/our-values>. Internal controls are in place to ensure that Moody's implements the Policy and conducts its business pursuant to the Moody's Code of Business Conduct. This Policy covers several areas such as compliance, tax strategy, governance, transparency, and governs all the Company's internal tax decisions, as well as its expectations regarding the conduct of external organizations engaged to act on the Company's behalf on tax-related matters. The Policy guides Moody's conduct, relationships and disclosures with the appropriate authorities of all taxing jurisdictions throughout the world in which the Company operates.

Taxes play a significant part of Moody's economic contribution to society. Aside from corporate income taxes, the Company pays taxes to national and local governments in the form of VAT, sales taxes, payroll taxes and property taxes.

## COMPLIANCE AND TAX STRATEGY

Moody's monitors and complies with the applicable tax laws, rules and regulations in the jurisdictions where it conducts business activities, including regulatory reporting requirements and other compliance obligations and payment of applicable taxes. The Moody's Global Tax team partners with the lines of business and other internal

stakeholders to gain insight and knowledge of the financial and business operations of the Company needed to identify the applicable tax compliance requirements and potential tax risks.

Moody's is committed to: (i) complying with the spirit, as well as the letter of the tax laws and regulations in the countries in which the Company operates; (ii) preparing and filing all required tax forms in an accurate, complete and timely manner in all applicable taxing jurisdictions as required by law; (iii) having a global transfer pricing policy anchored in the arm's length principle; (iv) complying with the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, which provide voluntary principles and standards for responsible business conduct consistent with applicable laws; (v) using tax structures that have commercial substance; and (vi) not employing tax planning that lacks commercial substance.

## GOVERNANCE

Tax governance is the responsibility of the Chief Financial Officer and is delegated to the Chief Tax Officer, who works to ensure that tax compliance, strategy and decision-making align with the Company's general approach to corporate governance and risk management. The Chief Tax Officer reviews any material changes to the Policy with the Company's Board of Directors.

Moody's Global Tax team is comprised of individuals possessing qualified training, skills and educational experience, with a mix of industry and business knowledge, as well as a variety of subject matter expertise. The Company engages external tax and legal advisers to provide specialized expertise and advice on significant transactions, new tax legislation and industry best practices. In addition, the Company engages tax advisers to assist with complex technical tax issues in various jurisdictions, including for the purpose of performing pre-acquisition due diligence.

Internal Audit and external auditors periodically review Moody's tax policies and processes to ensure they remain in line with the Company's internal controls and procedures, as well as with external compliance and regulatory requirements.

Through the Moody's Integrity Hotline, the Company provides opportunities for employees and external parties to raise any issues of concern in person or anonymously.

## TRANSPARENCY

Moody's engages with tax authorities to respond in a timely manner to tax audit requests. The Global Tax team seeks to conduct discussions with tax authorities in a constructive and collaborative manner with full transparency of the facts of the Company's business operations. While Moody's strives to cooperate with tax authorities, disagreements may occur from time to time and, where necessary, the Company will assert its procedural and administrative rights to uphold its reasonable interpretation of the law.

Moody's files the required income and informational returns with tax positions that we consider to be fully supportable or for which appropriate reserves are established due to uncertainty.

Moody's complies with country-by-country reporting requirements by submitting aggregate data on the global allocation of income, profit, taxes paid and economic activity among the tax jurisdictions in which it operates.

Moody's undertakes business activities that demonstrate a commitment to employment and innovation, which are concepts that align with the UN Sustainable Development Goals. Promoting employment and innovation through certain production processes allows Moody's to qualify for the Research and Development credit in the U.S. and for the Innovation Income Deduction in Belgium.

Moody's appreciates the financial and societal impact that its Policy has on the global economy and local communities in which it operates. The Company believes that the principles on which the Policy is based will help lead to more inclusive and sustainable outcomes around the world.

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