

UK GENDER PAY GAP REPORT 2022





Moody's 2022 UK Gender Pay Gap Report

At Moody's, we strive to create an environment where all our employees can be their authentic selves because we know our success relies on our diverse and inclusive culture.

While we review our pay practices globally every year to ensure pay equity across comparable roles, our gender pay gap data continues to reflect the relative representation of men and women at the most senior levels.

We have set ambitious global goals to increase the representation of women at all levels by 2025. But we know that these

changes take time, and progress can often feel too slow or uneven.

This is our fifth UK gender pay report, and while we have seen some measures improve at Moody's Investors Service (MIS), in 2022, we saw an increase in the reported gender pay gap data at Moody's Analytics (MA).

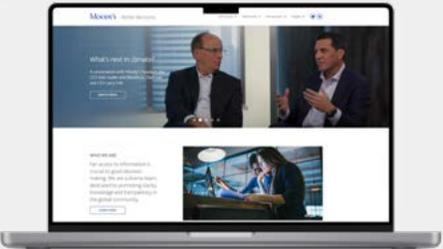
As one of the fastest growing areas of our business, we know expanding MA's employee base offers a clear opportunity to drive change. We continue to invest in specific programmes to increase the diversity of our MA workforce, including a new data science development programme and a graduate rotation scheme, in addition to Moody's global recruitment, talent planning and development initiatives.

Our experience during the pandemic has brought flexible working to the top of the agenda, and as we transition to a

hybrid working model, it is essential that we embed the positive impacts and lessons from the pandemic for all our employees.

We are confident that many of the new ways of working we are exploring could help to attract and retain women and others in underrepresented groups, for example, through offering greater flexibility to work outside their normal location, in the UK and across our business globally.

I confirm that the data in this report is accurate.



Learn more: about.moodyys.io

“At Moody's we're proud of our diverse, equitable and inclusive culture. We support women at all stages of their career through dedicated global programmes, and our broader focus on attracting diverse talent.”



Rob Fauber
President & Chief Executive Officer
Moody's Corporation



Moody's UK Gender Pay Gap

The UK Gender Pay Gap regulations require UK companies with 250+ employees to publish data on:

- » The difference between both the midpoint of all women's pay and bonuses and all men's pay and bonuses (the median),
- » The average of all women's pay and bonuses and all men's pay and bonuses (the mean),
- » The percentage of men and women in each pay quartile (calculated by sorting all employees by their hourly pay rates from highest to lowest paid, and dividing this into four equal parts).

These calculations are based on data taken on the 5th of April every year and are **not** the same as a gender pay equity analysis, which assesses the pay of women and men in comparable roles.

As in previous years, our gender pay gap is driven by having a lower proportion of women in senior leadership positions at both MA and MIS in the UK. Looking forward, we anticipate that acquisition activity in MA conducted in 2021 will

continue to have a short term impact on our gender pay data, as we integrate new entities with a relatively high proportion of senior men.

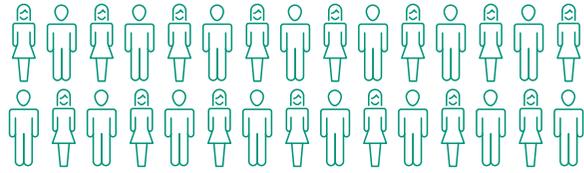
Our long term focus is to continue to learn from and respond to the data to make improvements that support our global diversity goals. For example, through our entry-level rotation programme for MA employees, we have been able to significantly increase the diversity of our technology teams. For the past four years, women have made up over 50% of Associate Software Engineers who participated in this scheme, and we will continue to expand the scope of this programme.

At Moody's, we are confident that men and women performing the same role are paid equally. We have rigorous compensation setting practices and review pay across comparable roles every year.

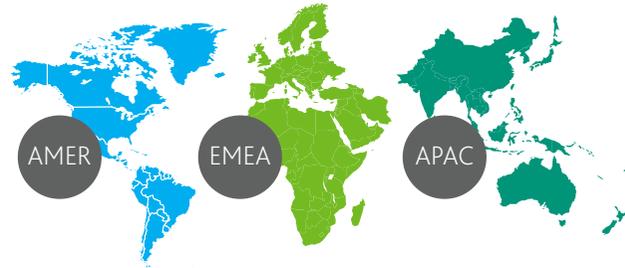
Our Global Workforce

We have set ambitious global goals to increase the representation of women at all levels by 2025.

13,000+
Moody's
employees



Present in
40 countries



Our Global Diversity Goals

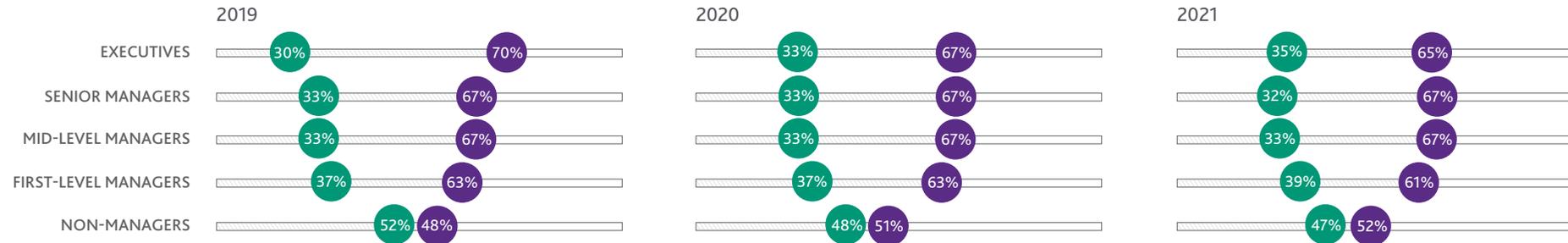
50%
minimum representation of
women globally at entry-level
programmes^[1] annually



8%
increase in the number of women
globally at "officer"^[2] levels and
above by 2025



Gender statistics: Global Workforce³



³ 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.

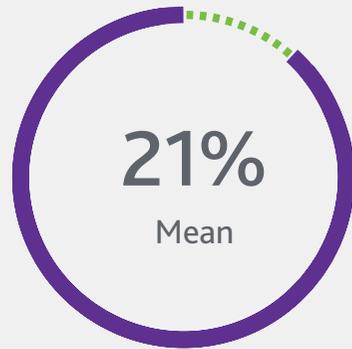
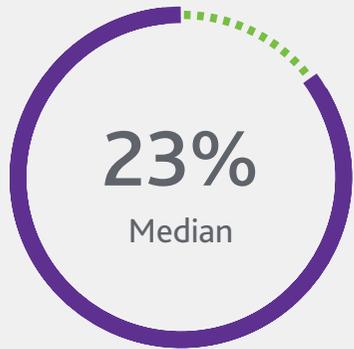


¹ Entry-level programmes include Moody's summer internship annual hiring, MA Technology Rotational Programme (MATR) annual hiring, and associate analyst 3 hires MIS in Ratings and Research Support (RRS) on an annual basis.

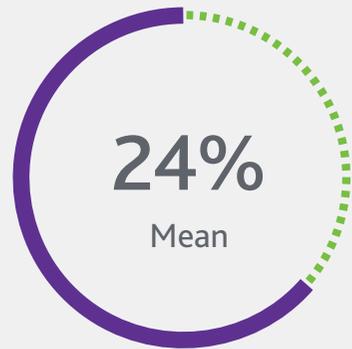
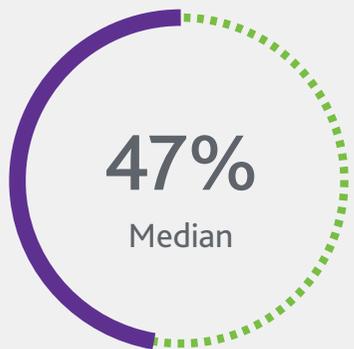
² Assistant Vice President/Assistant Director/Associate Director level and above from a 2020 base year.

Gender Pay Gap Data – Moody's Analytics Limited

Gender Pay Gap



Gender Bonus Pay Gap



Proportion of women and men receiving bonus pay



87%

76%

MA staff in the UK:
550

Proportion of women and men in each quartile pay band

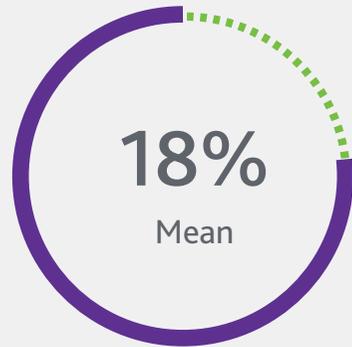
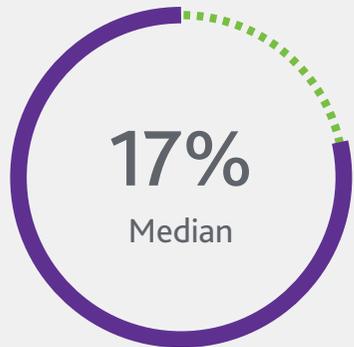


This report shows the overall median and mean gender pay gap based on hourly rates of pay within the pay period, which included 5 April 2021, and in bonuses paid in the 12 months prior to 5 April 2021.

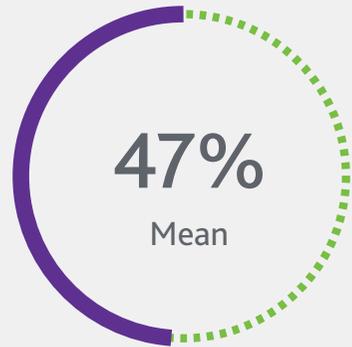
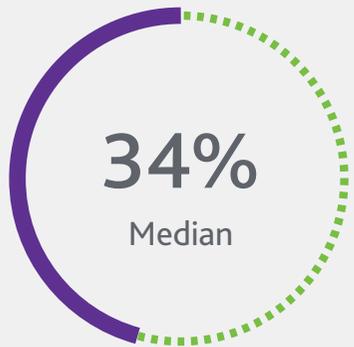
Included in the bonus calculation are payments received as part of the Moody's Performance Incentive Compensation (PIC) plan, the MA Commission plan, the vesting of Restricted Stock Units (RSUs), the exercise of Stock Options, any employment retention payments, any sign-on bonus and any other forms of compensation related to performance or productivity.

Gender Pay Gap Data – Moody's Investors Service Limited

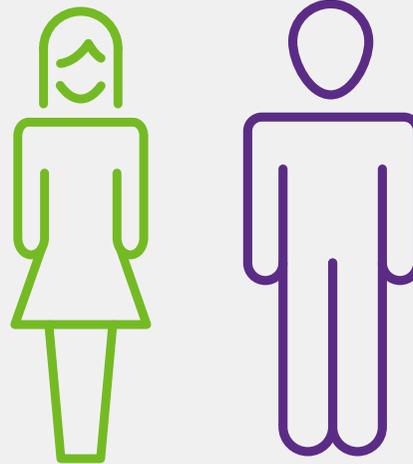
Gender Pay Gap



Gender Bonus Pay Gap



Proportion of women and men receiving bonus pay



97%

95%

MIS staff in the UK:
379

Proportion of women and men in each quartile pay band



This report shows the overall median and mean gender pay gap based on hourly rates of pay within the pay period, which included 5 April 2021, and in bonuses paid in the 12 months prior to 5 April 2021.

Included in the bonus calculation are payments received as part of the Moody's Performance Incentive Compensation (PIC) plan, the MA Commission plan, the vesting of Restricted Stock Units (RSUs), the exercise of Stock Options, any employment retention payments, any sign-on bonus and any other forms of compensation related to performance or productivity.

Moody's focus on gender equity

At Moody's, we have a strong focus on hiring, developing and empowering women leaders, as part of our ambition to build a workforce that represents the diverse communities we serve.

TIDE

The TIDE programme is Moody's high potential diversity initiative, aimed at elevating women and people of colour to leadership positions. The programme creates a robust, diverse talent pipeline through talent identification, assessment, development and executive support. The 2020-21 programme included 25 mid- and senior-level diverse leaders from across Moody's, with 19 women (10 women of colour) and six men of colour.

Senior Women's Leadership Development Programme

Moody's Senior Women's Leadership Development Programme, launched in 2014, is a twelve-month development opportunity for senior level women to expand their leadership capabilities through classroom trainings, executive

We believe our global approach is the right way to foster diversity, equity and inclusion across our business in the UK and beyond.

coaching, cohort networking and senior leader meetings. To date, 185 senior women leaders have participated globally, 26% of participants have gone on to be promoted and a further 8% have taken on expanded responsibilities.

Moody's RE-IGNITE

RE-IGNITE is a paid 16-week return to work programme designed for people wishing to restart their careers after a minimum 2-year career break. Through this programme, Moody's aims to increase diverse representation, especially women and mothers, and attract top talent by providing support, guidance and mentorship. Since the programme's US launch in 2017, we have converted 77% of candidates to Moody's employees.



“

We are firmly committed to providing a supportive workplace where all employees can thrive as their authentic selves. Our diversity strategy focuses on hiring diverse candidates and elevating non-traditional employees to leadership positions, with a focus on empowering women leaders on a global scale.

”



DK Bartley
CDO - Chief Diversity,
Equity & Inclusion Officer



“The Senior Women’s Leadership Development Programme not only boosted my leadership skills and gave me the confidence to actively progress my career, it also provided me with an immediate network of diverse women across MCO whom I have continued to learn from and engage with.”



Samantha Hall
Managing Director
Moody’s Analytics

“During my eight years at Moody’s I’ve been given numerous opportunities to challenge myself and to grow. I’ve honed many key skills, not only analytical but also mentoring, presenting, and writing which I will use for the rest of my career.”



Jeanne Harrison
VP-Senior Credit Officer
Moody’s Investors Service

Building on our existing TIDE, Senior Women’s Leadership and RE-IGNITE programmes, last year we launched three additional initiatives to provide early and mid-career support to support women and diverse talent.

Embedding diversity into the workplace of the future

We are confident that offering greater flexibility will help us attract and retain more women at all levels, and enhancing DE&I will be a key consideration as we develop our new working model. For example, we are exploring ways to offer more flexibility on working location, and will provide managers with additional tools to enable employee growth and development as part of a long-term hybrid working environment.

Moody’s Business Resource Groups

Moody’s Women’s Business Resource Group (BRG) is one of seven formal BRGs, with 40 regional chapters across the Americas, EMEA and Asia-Pacific (APAC), focused on fostering the recruitment, development and retention

of diverse and talented individuals. This year, the UK Women’s BRG led a pilot programme to provide information and support to managers and employees on the menopause, in support of our goal to attract and retain diverse talent.

In addition to our Women’s BRG, women’s leadership and contributions to our Veterans, Multicultural, Minds (mental health), Pride (LGBTQA), Generational, Black Inclusion Group and EnAble BRGs help us foster an inclusive and intersectional approach to DE&I.



Find out more

You can find out more about our approach, including our global DE&I Report at: about.moody.io/diversity

“The pandemic has fundamentally changed our way of working, and it is especially important to me that we take this opportunity to embed positive changes that will help us attract, retain and progress diverse talent. In particular, flexible working can help widen our pipeline of current and future leaders, especially women, and we have built our “workplace of the future” model with this in mind.”



Ryan Oliveri
SVP - HR Regional Partner
Moody’s Corporation

MOODY'S

moodys.com/about