

MOODY'S

Modern Slavery Act Statement 2020

Moody's recognises that modern slavery and human trafficking is a global problem, and this statement sets out the steps taken in seeking to prevent it taking place in any part of our business or supply chains.



Our structure, business and supply chain

Moody's is a global integrated risk assessment firm that empowers organisations to make better decisions. Our data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others. We believe that greater transparency, more informed decisions, and fair access to information open the door to shared progress. With over 11,000 employees in more than 40 countries in its wider group, Moody's combines international presence with local expertise and over a century of experience in financial markets. For more than a century, Moody's employees have proudly upheld the company's worldwide reputation for high standards of business conduct. An essential aspect of Moody's success is our collective commitment to operating in a principled manner. We are united by a determination to act with integrity and make a positive impact on the global economy and in our local communities.

This statement is as of 30 June 2020 and covers the prior 12-month period. It is made on behalf of Moody's Group (Holdings) Unlimited, Moody's International (UK) Limited, Moody's Group UK Limited, Moody's Holdings Limited, Moody's Shared Services UK Limited, Moody's Analytics UK Limited, Moody's Investors Service Limited and Bureau Van Dijk Electronic Publishing Limited, all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015.

“In today's complex environment, Moody's drive for clarity, knowledge and fairness matters more than ever to our stakeholders.”

ROB FAUBER
CHIEF OPERATING OFFICER,
MOODY'S CORPORATION



Workforce Profile

We have a number of entities that employ people in the UK, and some foreign branches. The majority of the employees of these companies are employed on full-time contracts. A proportion of our employees are part-time, and their terms and conditions are otherwise the same as for full-time staff. We believe our own employees are at a low risk of suffering from modern slavery and human trafficking.

Our employees play an important role in financial markets, systems and institutions. Thus, it is important for us to create a workplace where they feel valued and inspired to bring their best. We work to foster a culture of independence, inclusion and intellectual leadership. We strive to build an environment that values collaboration and professional growth. And we work to ensure that all our people can share their perspectives and be heard. We offer competitive pay, benefits, employment conditions and policies, which are periodically benchmarked, and we have flexible working arrangements available to all employees, such as part-time and telecommuting arrangements. We do not operate zero hours contracts. All our employees are subject to the standards in the Moody's Corporation Code of Business Conduct, set out further below.



Corporate Social Responsibility at Moody's

Corporate social responsibility has been part of Moody's approach to doing business for many years. Each year, we have continued to refine our CSR program to focus strategically on societal issues that Moody's believes it is in a unique position to help address, and those that our employees are most passionate about. We drive progress and measurable impact in our complex and changing world by building more inclusive economies, stronger communities and an environmentally sustainable future. Through this approach, we connect people with the knowledge and resources they need to make better decisions and create a stronger shared tomorrow.

Last year, Moody's stepped forward with our commitments pushing for a more sustainable global financial system and pledging to hold ourselves accountable. We joined the UN Global Compact at the participant level committing to its [Ten Principles](#), which include Principle 4: the elimination of all forms of forced and compulsory labour.

Further, we believe two of our three social investing focus areas may help mitigate the likelihood of individuals finding themselves in situations of modern slavery and human trafficking. Our primary focus is on empowering people with financial knowledge. We are on a mission to help bring tools, skills and knowledge to people at every level of the market to promote greater prosperity and opportunity. We believe that by supporting underserved communities, we can help fuel inclusion and growth and help markets work better for more people. And through our thought leadership and commentary, we are committed to providing trusted standards, supported by data and analytics, to help market participants better understand economic, environmental and social impact to make better decisions for brighter futures.

In 2019, we saw tangible results from the first full year of our signature financial inclusion initiative, Reshape Tomorrow™. With support from Moody's and employee volunteers, our partners are doing important work in communities across the world. Small businesses in the US learned how to manage cash flow more effectively for growth. Small shopkeepers in Kenya received business management and finance training. And economies in Latin America grew stronger as local entrepreneurs forged new connections.

The other relevant area of focus is on helping young people reach their potential. Moody's is helping to fuel the future by reaching the leaders of tomorrow. We share our expertise and provide opportunities across the globe for the bright, diverse young minds of today's generation to learn and to discover their full potential. Because our passion for making a difference can help ignite their own. We also aspire to provide pathways to successful careers in finance, technology and economics for young people, helping to ensure they avoid jobs that are more prone to modern slavery and human trafficking.

Read more about our CSR programs and the progress we have made over the years by visiting moody.com/csr.

Supply Chain

Our supply chain mostly consists of reputable financial services firms, sophisticated independent consulting firms, and other service providers, in the areas of finance and technology (including the procurement of software, data and other technology-related goods and services).

Our policies in relation to slavery and human trafficking

Moody's published Modern Slavery and Human Trafficking Statements for June 2017, 2018 and 2019 can be viewed [here](#). In the years since our initial statement, we have continued to consider and develop our approach to modern slavery issues.

Moody's Code of Business Conduct

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 has in place a number of codes, policies and procedures so that we run our business in a fair, ethical and lawful manner and in compliance with applicable laws and regulations. The Moody's Corporation Code of Business Conduct (the "Code") is a statement of the fundamental principles and certain key policies that govern the conduct of our business and can be found on the Moody's website. The Code confirms that an essential aspect of Moody's success is our collective commitment to operating in an ethical and lawful manner to maintain the integrity of our business. The Code, which is reviewed and approved biannually by the Moody's Corporation Board of Directors, sets forth the guiding principles we expect each employee and corporate director to follow. Every Moody's employee receives training on the Code and is periodically required to certify that he or she has reviewed this Code, understands it, and agrees to be bound by its terms. One of the key areas covered by the Code is "How we Act with Integrity in the Global Community".

Outsourcing and Supply Chain Relationships

Moody's has rigorous policies and procedures in relation to the engagement of suppliers that assist Moody's in the conduct of its business. Moody's has a Procurement & Sourcing Group, which is responsible for the management of our global, enterprise-wide spend on products and services. Moody's also has a Vendor Selection and Contracting Policy, which sets out the parameters that apply to our selection and retention of certain new and existing suppliers and the execution of contracts.



Vendor Code of Conduct

Moody's vendors engaged in providing goods or services to, or on behalf of, Moody's are expected to act in accordance with our Vendor Code of Conduct (the "Vendor Code"). The Vendor Code describes Moody's expectations of its vendors in the areas of business integrity, labour practices, employee health and safety, diversity and inclusion, and environmental stewardship. The Vendor Code specifically addresses forced labour and human trafficking, requiring vendors comply with all laws and regulations such as the UK Modern Slavery Act 2015. The [Vendor Code of Conduct](#) can be found on Moody's website.

Our due diligence processes in relation to slavery and human trafficking

Moody's utilises agency workers and, in doing so, works in compliance with the UK's Agency Worker Regulations and uses reputable agencies that have their own established governance and policies, including, where required, their own published modern slavery statements. From time-to-time, we also engage specialist contractor resources for specific projects.

Moody's exercises skill and care when selecting third party service providers, including a determination as to whether they have the ability and capacity to perform the contracted function(s) reliably and professionally. When selecting new suppliers, we consider the suitability of the particular product or service for Moody's needs, as well as other selection criteria, including organisation and management, reputation, and their ability to meet Moody's applicable regulatory or legal requirements.

Our arrangements with material suppliers are documented by a written agreement specifying the respective rights and obligations of Moody's and the supplier. Moody's requires its service providers: (i) to comply with all applicable national, local, and international laws (including employment-related laws); and (ii) not to participate in any illegal, deceptive, misleading or unethical practices. Our standard UK contract templates for professional services, general consulting services, client training services and temporary staffing services include a specific provision that requires the supplier: (i) to comply with all applicable antislavery and human trafficking laws (including the UK Modern Slavery Act 2015); (ii) implement due diligence procedures for their own supply chains so that there is no slavery or human trafficking in its supply chains; and (iii) notify Moody's upon becoming aware of any actual or suspected breach of any slavery-related laws. Additionally, our non-UK standard templates for professional services and general consulting services also refer to the UK Modern Slavery Act.

We will not support any supplier relationship where we are aware, or have reasonable grounds to believe, that slavery and human trafficking is taking place,

and Moody's will take appropriate action if it appears that the supplier is not carrying out its functions as per its contractual arrangements and/or in compliance with the applicable laws and regulatory requirements.

Our risk management of slavery and human trafficking

Risk Management

Moody's enterprise risk management function is responsible for identifying and monitoring existing and emerging risks that may impede the achievement of Moody's strategic objectives, including societal goals. We have assessed the risk of slavery and human trafficking for our employees and within our supply chain to be low based on the characteristics of our business and the goods and services we procure. The enterprise risk management function periodically reviews Moody's risks and reports to Moody's Corporation senior management and Board of Directors.

Open Door Communication and Whistleblowing

At Moody's, we are committed to fostering a culture and work environment in which all employees feel comfortable asking questions, seeking advice and raising issues that are important to them — including reporting allegations of non-compliance with laws, regulations and policies. We elevate voices and concerns through our Open Door Policy, which supports employees in holding frank discussions with their immediate supervisors or other senior managers, as well as with members of the Compliance, HR and Legal departments. As part of this policy, Moody's prohibits, and does not tolerate, any form of retaliation against employees who raise concerns in good faith.

All employees have a number of channels to report concerns: managers; HR, Compliance and Legal departments; and the Integrity Hotline. The Integrity Hotline allows employees to report any suspected wrongdoing anonymously, is staffed by a third party and is available at all times and in multiple languages. Reports made via

the Integrity Hotline are forwarded to Moody's Legal and Compliance departments for follow-up, and all reports of suspected violations are promptly investigated and remediated.

Our effectiveness in ensuring that slavery and human trafficking is not taking place in our business or supply chains

During the reporting period, Moody's has had no reports of slavery or human trafficking in our business or supply chains.

Our training about slavery and human trafficking

Finally, Moody's provides extensive compliance and ethics training both to new employees and to existing employees to help reinforce the resources available to employees to raise concerns and ask questions and as an integral part of their overall

professional development. Depending on the line of business and work location, within their first 90 days of employment, new hires to Moody's must complete several hours of online training that is aligned with our codes of conduct and policies. This training is designed to help analysts, managers, directors and other Moody's professionals clearly understand and execute their ethical responsibilities and regulatory obligations.

In 2019, we deployed over 30 mandatory online and instructor-led courses to educate and refresh the knowledge of existing employees on compliance policies and codes of conduct. Additionally, we provided training on modern slavery issues to all UK staff in 2019.

Our accountability

If you have any comments on this statement or would like to report any matter regarding it, please email csr@moodys.com.



Monica Merli

DIRECTOR, MOODY'S INVESTORS SERVICE LTD,
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