



MOODY'S

Modern Slavery Act Statement 2023

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 from taking place in any part of its business or supply chains.

This Modern Slavery and Human Trafficking statement is made in accordance with the Modern Slavery Act 2015 on behalf of Moody's



Our structure, business and supply chain

Moody's is a global integrated risk assessment firm that empowers organisations to make better decisions. Its data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others. Moody's believes that greater transparency, more informed decisions, and fair access to information open the door to shared progress. With over 14,000 employees in more than 40 countries, Moody's combines international presence with local expertise and over a century of experience in financial markets.

Moody's employees proudly uphold its worldwide reputation for high standards of business conduct. An essential aspect of Moody's success is its collective

commitment to operating in a principled manner. It is united by a determination to act with integrity and make a positive impact on the global economy and in local communities.

This statement is as of 30 June 2023 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. Risk Management Solutions Limited, which also falls within the scope of section 54(2), was acquired by Moody's in September 2021 and is in the process of aligning its policies and procedures with those of Moody's Corporation.

Stakeholder Sustainability at Moody's

Moody's sustainability framework is guided by the United Nation's Sustainable Development Goals (SDGs) and based on its non-financial material topics. The framework connects Moody's sustainability strategy to its business purpose and leverages its expertise, resources and values to drive positive, system-wide change for better business, better lives and better solutions.

BETTER BUSINESS

At a global level, Moody's corporate governance is structured to enable the identification and prioritization of actions that advance positive change across major social and environmental issues. In 2019, Moody's Corporation advanced its commitment to a more sustainable global financial system by joining the United Nations Global Compact (UNGC). As part

of its participation, Moody's commits to UNGC's [Ten Principles](#), which include Principle 4: the elimination of all forms of forced and compulsory labour. Our [Human Rights Statement](#) provides an overview of how we endeavour to meet the responsibility with respect to human rights, in addition to the principles and requirements within our [Code of Business Conduct](#).

In 2021, Moody's became one of the first companies to have its near- and long-term net-zero climate targets validated by the Science Based Targets initiative. In addition, Moody's increased its share of suppliers by spend who have science-based targets to 49%, exceeding its internal annual target of 33%. Moody's believes that environmental quality and human rights are linked. A safe and secure working environment can impact people's health and living standards, property, freedom of movement and education.

BETTER LIVES

Moody's has 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 contracts¹. A proportion of employees are part-time, and their terms and conditions are otherwise the same as for full-time staff. Moody's believes its employees are at a low risk of suffering from modern slavery and human trafficking. Moody's does not operate zero hours contracts and all employees are subject to the standards in the Moody's Corporation Code of Business Conduct, set out further below.

Moody's is committed to treating employees with respect and dignity and protecting their human rights. Moody's offers equal opportunities and employs individuals from diverse backgrounds and experiences to foster a nurturing and inclusive culture in its workplace. In 2022, Moody's evolved its global employee well-being approach to place greater emphasis on holistic wellness and invested in professional development opportunities for its people with the evolution of Moody's University, an online learning hub available to employees across the organization.

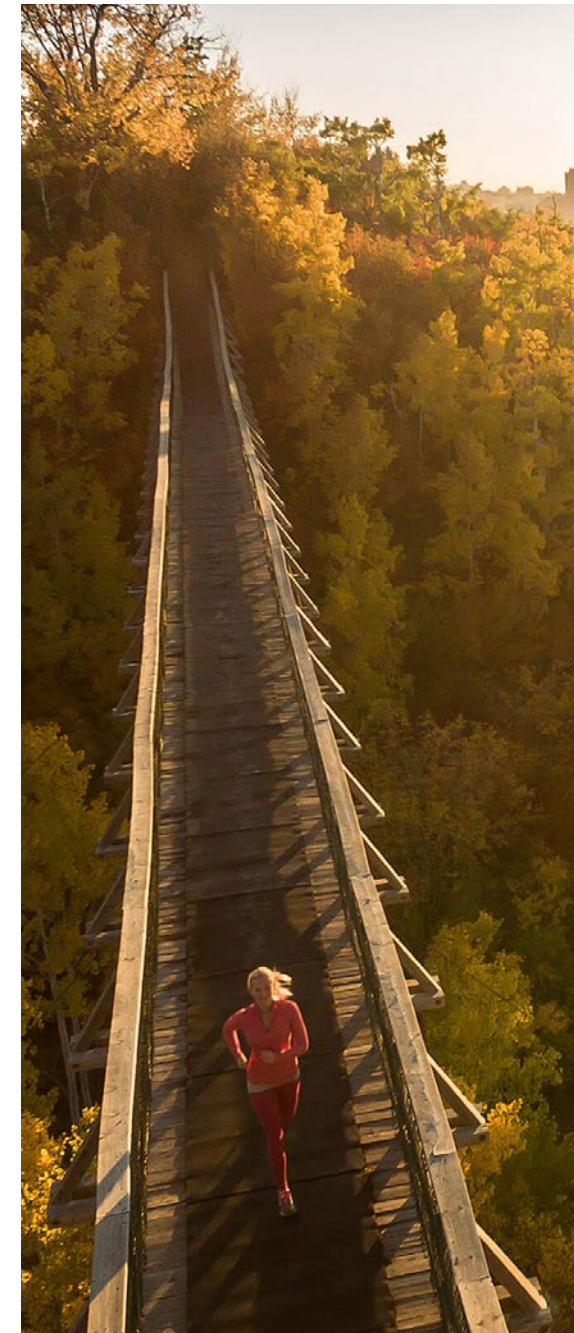
Moody's extends this philosophy to the communities where it operates. Moody's regularly partners with organisations on areas where it believes it can have the greatest impact and that can also help to mitigate the likelihood of individuals finding themselves in situations of modern slavery and human trafficking. In 2022, Moody's introduced a new Community Impact framework that focuses on addressing income inequality and addressing ecological degradation.

BETTER SOLUTIONS

As a global integrated risk assessment firm, Moody's continues to meet growing market demand by providing trusted perspectives that inform a clear and holistic understanding of risk, embedding environmental, social and governance (ESG) considerations into our analytics, workflow solutions and research, and increasing transparency on how ESG factors affect credit ratings. In 2022, Moody's continued to help its customers identify, measure and manage ESG risk by enhancing and expanding our capabilities - both in geographical coverage and in our offerings by embedding these capabilities into core user workflows. For example, Moody's launched its new ESG Insurance Underwriting Solution to help insurers

operationalize ESG risk assessment in their insurance underwriting workflows. In addition, Moody's expanded its presence in emerging markets by acquiring a majority stake in Global Credit Rating Company Limited (GCR), a leading credit rating agency in Africa, with operations across the continent including in South Africa, Nigeria, Senegal, Kenya and Mauritius.

Learn more about [Moody's Stakeholder Sustainability](#).



¹ As of December 31, 2022, Moody's had 1707 full-time and 62 part-time employees in the UK.



Our policies in relation to slavery and human trafficking

All Moody's published Modern Slavery and Human Trafficking Statements since 2017 can be viewed [here](#). In the years since the initial statement, Moody's has continued to consider and develop its approach to modern slavery issues.

Moody's Code of Business Conduct

Moody's commitment to operating in an ethical and lawful manner includes protecting the basic dignity and human rights of its employees and the people in its supply chain. Moody's has in place a number of codes, policies and procedures so that it runs its 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 Moody's business and can be found on the Moody's website. The Code confirms that an essential aspect of Moody's success is its collective commitment to operating in an ethical and lawful manner to maintain the integrity of its business. The Code, which is reviewed and approved at least biannually by the Moody's Corporation Board of Directors, sets out the guiding principles that Moody's expects each employee and corporate director to follow. Upon hiring and annually thereafter, all Moody's employees², including full-time and part-time employees, receive training on the Code and must certify that they have reviewed the Code, understand it, and agree 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. It has a Procurement & Sourcing Group, which is responsible for the management of Moody's 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 the selection and retention of certain new and existing suppliers and the execution of contracts. In addition, Moody's Supplier Diversity Program makes a concerted effort to provide businesses owned by minorities, women, people with disabilities, veterans, and the LGBTQ+ community with equal access to business opportunities. In 2022, Moody's small business and diverse Tier I spend increased by 44% on the previous year. Moody's also works with suppliers to encourage diverse spend within their own supply chain. For example, Moody's has a Tier II Supplier Diversity Program (launched in 2022), which aims to identify, track and encourage diverse spend within the supply chains of Moody's highest spend and strategic suppliers.

Supplier Code of Conduct

Moody's supply chain consists of reputable companies, which include 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). Moody's suppliers engaged in providing goods or services to, or on behalf of, Moody's are expected to act in accordance with our Supplier Code of Conduct (the Supplier Code). In addition, Moody's master professional services agreement template requires suppliers to hold their personnel accountable to the Supplier Code. The Supplier Code reflects social and environmental considerations in Moody's supply chain, and describes Moody's expectations of its suppliers in the areas of business integrity, labour practices, employee health and safety, diversity, equity and inclusion, and environmental stewardship. The Supplier Code specifically addresses forced labour and human trafficking, requiring vendors to comply with all laws and regulations such as the

² Refers to employees in Moody's Corporation and its wholly owned subsidiaries, as well as employees integrated into Moody's through recent acquisitions.



UK Modern Slavery Act 2015. The [Supplier Code of Conduct](#) can be found on Moody's website.

Our due diligence processes in relation to slavery and human trafficking

Moody's utilises some agency workers in the UK 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 their own published modern slavery statements. From time-to-time, Moody's also engages 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, Moody's considers the suitability of the particular product or service for its needs, as well as other selection criteria, including organisation and management, reputation, and their ability to meet Moody's applicable regulatory or legal requirements. Further, as part of its climate commitment, Moody's assesses whether suppliers have set their own science-based targets; as of year-end 2022, 49% of Moody's suppliers

by spend have set such targets.

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. Moody's 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, non-UK standard templates for professional services and general consulting services also refer to the UK Modern Slavery Act.

Moody's will not support any supplier relationship where it is 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

The Moody's Corporation 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. This function has assessed the risk of slavery and human trafficking for Moody's employees and within its supply chain to be low based on the characteristics of the business and the goods and services procured. The enterprise risk management function periodically reviews Moody's risks and reports to Moody's Corporation senior management and Board of Directors.

Moody's further expanded its risk management efforts in this reporting period by evaluating and segmenting all applicable suppliers based on criticality and risk, and screening all key suppliers with Compliance Catalyst, a Moody's tool powered by the Grid and Orbis databases on private companies as well as outside data providers that aggregate various data points on third parties. Using Compliance Catalyst, Moody's assesses

a broad spectrum of risks, including modern slavery and human rights violations. As of December 31, 2022, Moody's has assessed 100% of its key suppliers and has not identified any high-risk suppliers. In addition, Moody's has put in place a clear escalation pathway that enables it to address any major risks in an immediate and appropriate manner. Where possible, Moody's quantifies ESG risks – such as supplier diversity, cyber security, and compliance with global ethical standards – for key suppliers and aggregates this data into an overall scorecard to track its priority vendors.

Open Door Communication and Whistleblowing

Moody's is committed to fostering a culture and work environment in which employees feel comfortable asking questions, seeking advice and raising issues that are important to them — including reporting allegations of noncompliance with laws, regulations and policies. Moody's elevates voices and concerns through its 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; the HR, Compliance and Legal departments; and the Integrity Hotline. The Integrity Hotline allows employees, suppliers and members of the public 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. In addition, the Compliance department reports on concerns raised through the hotline to the Audit Committee.

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 the Company's 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.

UK employees in the scope of this statement, including staff transferring into the UK from overseas and those

employed by acquired and fully integrated entities in the UK, are required to complete a mandatory training course on modern slavery on an annual basis. In addition, all of Moody's sourcing managers are offered training on responsible sourcing. This training is designed to educate Moody's buyers on various supply chain issues and references Moody's Modern Slavery Act Statement.

Our accountability

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

Stephen Long

Director, Moody's Investors Service LTD
June 2023