





Our Approach to Diversity, Equity and Inclusion

Our business is about providing insights, tools, data and services that help business leaders make better decisions. We know that our success rests on maintaining our diverse and inclusive culture, where all our employees in over 40 countries can thrive as their authentic selves.

We have several initiatives focused on supporting women in the workplace, including our Senior Women's Leadership Development Programme, Moody's Women's Business Resource Group, and our TIDE Programme aimed at elevating women and people of colour to leadership positions. As part of Moody's commitment to inclusion and diversity, in 2021, we established the following goals to increase the representation of women across our global workforce:

- » 50% minimum representation of women globally at entry level programmes¹ annually; and
- » 8% increase in the number of women globally at "officer"² levels and above by 2025;

Many different factors – for example business growth and related new openings, successful recruitment of diverse applicants, and turnover will be

key to achieving our goals. We will be focusing on each of these factors to create a robust diversity and inclusion strategy.

We are confident that our focus on more gender-balanced recruiting, leadership programmes and flexible work arrangements will help us increase the number of women at all levels of our business and drive further progress in our reported UK gender pay gap data.

I am proud of our achievements but acknowledge this is just the start of our journey; it will take time for this focus to be reflected in our UK gender pay gap data. We know we need to do more to effect change, and I am personally committed to increasing diversity across all levels of our business.



Rob Fauber
*President & Chief Executive Officer
Moody's Corporation*

Pay Equity at Moody's

We review our pay practices globally every year to ensure pay equity across comparable roles and are confident that men and women across our organisation are paid equally for doing equal work.

Our 2020 UK gender pay data reflects the fact that relatively low turnover in senior leadership positions and the global structure of our business, means that fewer women than men are in the most senior roles in the UK. At Moody's, many employees take advantage of the opportunity to transfer to roles outside the UK to support their career development. In 2020, a number of senior women within both Moody's Analytics and Moody's Investors Service transferred from the UK to new roles across the company – which moved us in a positive direction in terms of advancing women to leadership positions globally, but will have, in part, impacted our UK gender pay gap data.

Continuing to build a pipeline of female talent in the UK, and leveraging our global polices to build greater diversity, particularly at senior levels, will be

important drivers for closing the UK gender pay gap in future. We will continue to monitor the gender balance and broader diversity of our workforce globally, in support of our DE&I efforts.

We confirm the data reported in this report is accurate.



Melanie Hughes
*Chief Human Resources Officer
Moody's Corporation*

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.

Moody's UK Gender Pay Gap

The UK Gender Pay Gap regulations require us to report the difference between both the midpoint of all women's pay and all men's pay (the median), and the average of all women's pay and all men's pay (the mean).

This gender pay gap reporting is not the same as a gender pay equity analysis, which assesses the pay of women and men in comparable roles.

Moody's ensures pay equity through rigorous compensation-setting practices and conducts an annual audit of actual pay across comparable roles.

Low turnover in senior leadership positions and the global nature of

our business, whereby senior women have the opportunity to transfer to roles outside the UK, means that there continue to be fewer women than men in the most senior roles in the UK, with relatively small changes in our UK workforce driving key variations in our gender pay gap data for 2020.

For example, representation of women has increased across all four quartiles in Moody's Analytics (MA) compared to the previous reporting period. However, men continue to make up the majority of employees in each quartile.

In Moody's Investors Service (MIS), women accounted for 2/3 of the promotions in this reporting period. This meant representation of women increased across the combined top two quartiles.

The median pay gap at MA and MIS has improved, while the median bonus gap at both entities has increased this year.

One of the drivers of this year's data is that, although a high proportion of our new joiners at all levels of the company are women, their start dates mean that many of them were not eligible for a full year's bonus payment.

Moody's Global Workplace

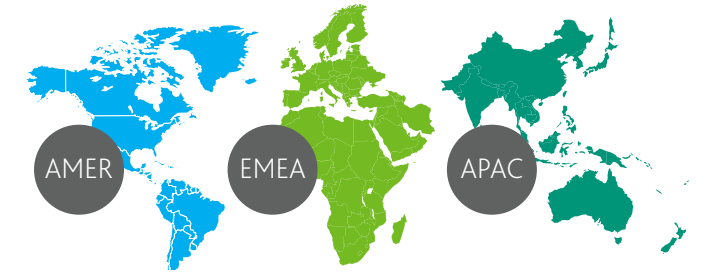
Tracking our global gender balance data at each level of the company allows us to better understand the impact of our efforts to embed diversity and inclusion across our business, which will in turn drive changes in our UK gender pay gap.

Our UK workforce follows a similar pattern to our global employee base –although the number of women at all levels of the company is increasing, there is still a relatively higher proportion of men at senior levels of the company.

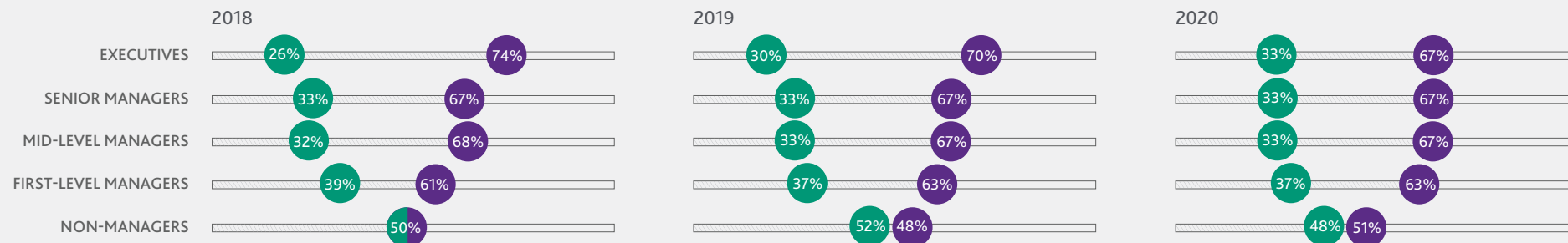
11,400+
Moody's
employees



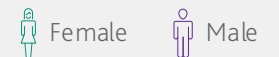
Present in
40+
countries



Gender statistics: Global Workforce³

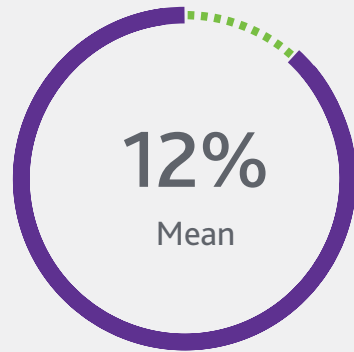
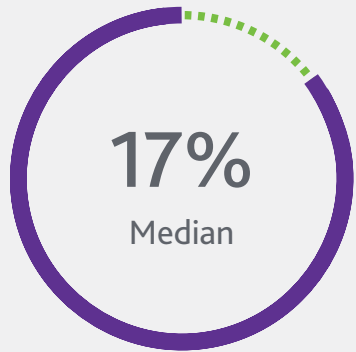


³ The data represents employees that are integrated in our IT systems. For 2020, this coverage is approximately 85% of the total Moody's full-time equivalent employees as reported in the 2020 Form 10-K. Non-employees (such as non-payroll consultants) and temporary employment workers (such as interns) are excluded from the analysis. Headcount as of December 31 of respective year.

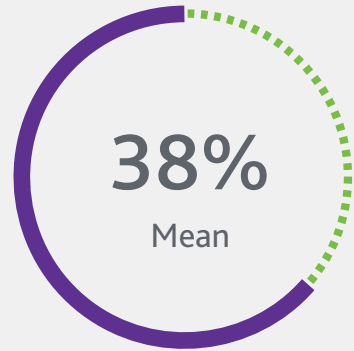
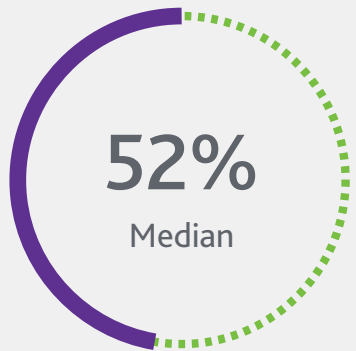


Gender Pay Gap Data – Moody's Analytics Limited

Gender Pay Gap



Gender Bonus Pay Gap



Proportion of women and men receiving bonus pay

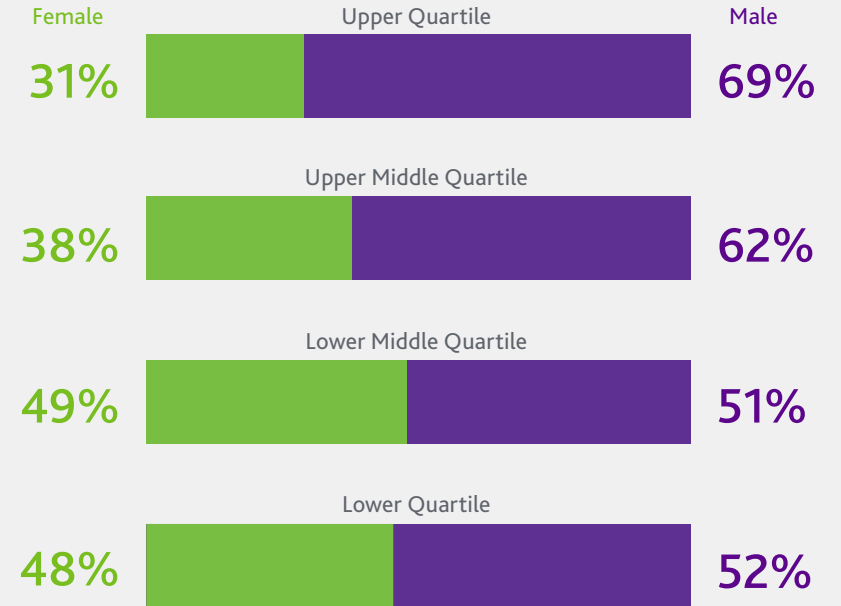


93%

92%

MA staff in the UK:
462

Proportion of women and men in each quartile pay band

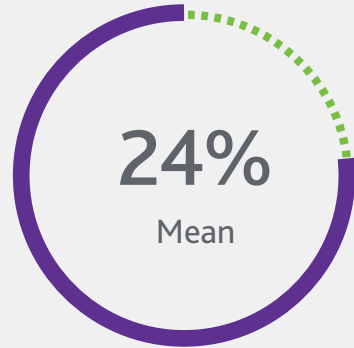
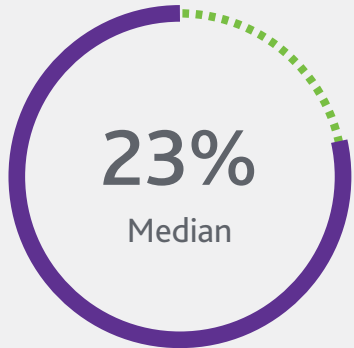


This report shows the overall median and mean gender pay gap based on hourly rates of pay within the pay period, which included 5 April 2020, and in bonuses paid in the 12 months prior to 5 April 2020.

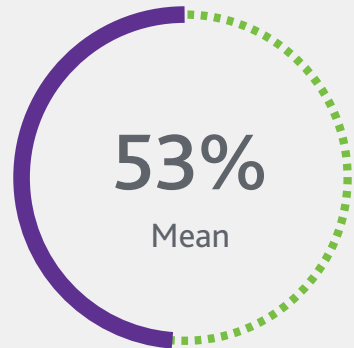
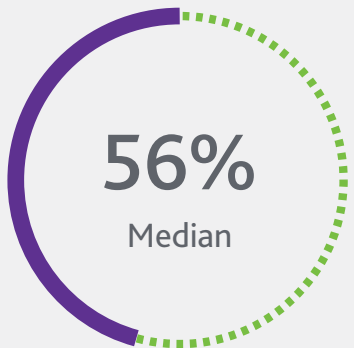
Included in the bonus calculation are payments received as part of the Moody's Performance Incentive Compensation (PIC) plan, the MA Commission plan, the vesting of Restricted Stock Units (RSUs), the exercise of Stock Options, any employment retention payments, any sign-on bonus, the staff bonus, and 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



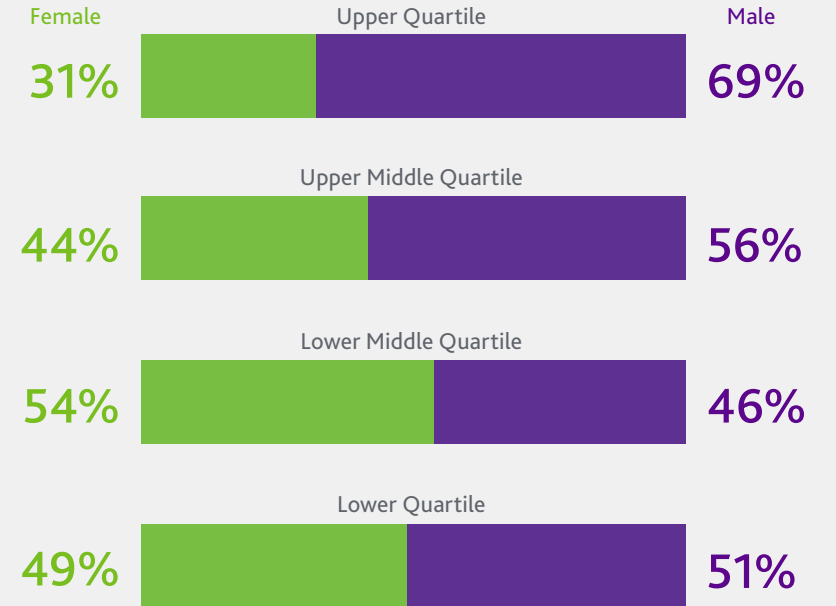
93%



90%

MIS staff in the UK:
386

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 2020, and in bonuses paid in the 12 months prior to 5 April 2020.

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

Our Global Approach

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, increasing the racial and ethnic diversity of our employees and leaders and creating inclusive economic systems that nurture social equity.

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

Moody's is committed to transparency and accountability, which includes making voluntary disclosures that are material to our business, helpful to our stakeholders and increasingly expected by investors. In 2021, we established two commitments to increase representation of women across our global workforce:

- » Achieve 50% minimum representation of women globally at entry level programmes annually; and
- » An 8% increase in the number of women globally at officer levels, including Assistant Vice President, Assistant and Associate Director, and above by 2025 (from a 2020 base year)



Focus on gender equity

Moody's has established new DE&I programmes and partnerships and enhanced its existing programmes to meet these goals, centered on developing diverse talent and championing gender parity, including:

- **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. Of our current participants, 76% are women.
- **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 coaching, cohort networking and senior leader meetings. To date, 110 senior women leaders have participated globally, resulting in 50 promotions.

● **Moody's RE-IGNITE:** RE-IGNITE is a paid 16-week return to work programme offered across Europe, the Middle East and Africa (EMEA) and the US that is 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. This year we expanded the programme to include 40 candidates in the UK, and since the programme's US inception in 2017, we have proudly converted 75% of candidates to Moody's employees.



“In 2020, Moody's enhanced its programmes to better serve the needs of women across our business. Moody's established the TIDE Programme, a high potential diversity initiative aimed at elevating women and people of colour to leadership positions. We also launched inclusive leadership training for all managers in the company, designed to drive manager accountability for being more inclusive as leaders and creating a more inclusive environment for our teams.”



DK Bartley
CDO - Chief Diversity,
Equity & Inclusion Officer



● **Moody's Business Resource Group:** 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. In addition to our Women's BRG, women's leadership and contributions to our Veterans, Multicultural, Minds (mental health), Pride (LGBTQA), Generational and EnAble BRGs help us foster an inclusive and intersectional approach.

In addition, Moody's has designed its performance review and bonus strategy to reduce the potential for bias and discrimination and formalized a scorecard in which DE&I targets and progress are a significant factor in how we evaluate a manager's performance.

Moody's is also committed to empowering women across its supply chain and has pledged 5% of its 2021 procurement budget toward integrating women-owned businesses.

Moody's global Diversity Council created and oversees the DE&I strategy and goals, which span the three main

areas of our business, MIS, MA, and Moody's Shared Services, across the Americas, EMEA and APAC.

Looking Ahead

In 2021 and beyond, we will strengthen our current programmes, partnerships and commitments 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.

Programmes we are launching include:

- **Horizons:** an early career women's development programme;
- **RISE:** a mid-level programme to empower and develop future women leaders;
- **SURF:** an emerging diverse talent acceleration programme; and
- **Global Women's Leadership Council:** a new council composed of 10 women and 2 men who

share a passion for diversity and the development of the company's future women leaders.

You can find out more about our approach, including our global DE&I Report which details our commitment to advancing inclusion and embedding DE&I at the heart of our business at: about.moody's.io/diversity

MOODY'S

moodys.com/about