

Moody's Modern Slavery Act Statement 2019¹

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 Business

Moody's is an essential component of the global capital markets, providing credit ratings, research, tools and analysis that contribute to transparent and integrated financial markets. Moody's operates globally through two main operating divisions: Moody's Investors Service, which provides credit ratings, research, and risk analysis covering debt instruments and securities; and Moody's Analytics, which provides financial intelligence and analytical tools to help business leaders make better, faster decisions. These divisions are supported by Moody's Shared Services, which provides corporate services across the company.

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 an ethical and lawful manner to maintain the integrity of our business.

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

Core Business Efforts

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. In 2018, we moved further from strategy formation into implementation with the introduction of new programs and initiatives that advance our strategic focus areas. As we move forward, we will continue to work toward a goal of embedding our CSR strategy throughout the company.

We believe two of our 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 economic inclusion and job 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 and social impact to make well-informed decisions.

In 2018, in addition to advancing Reshape Tomorrow™, our global financial inclusion initiative for small business owners, we worked across the world, from rural India to Toronto, Canada to empower less well-served communities, tech entrepreneurs, nonprofit leaders and financial advisers with the financial knowledge and resources they need to create a positive impact for others.

We also worked to help expose the financial roots of modern slavery through Bureau van Dijk, a Moody's Analytics company, which lent its Orbis database and technology to Liberty Shared, a non-profit dedicated to preventing forced labour and other forms of human trafficking. [Read more about this story](#) featured in our 2018 CSR Report.

¹ This statement 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 Analytics Knowledge Services (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.

Our other 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 for young people, helping to ensure they avoid jobs which 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 <https://csr.moody's.io>.

Moody's Code of Business Conduct

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 has been approved 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".

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.

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 our Code, as set out above.

Supply Chain Efforts

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 that sets out the parameters, which apply to our selection and retention of certain new and existing suppliers and the execution of contracts.²

We provided training in relation to modern slavery and human trafficking issues to the Procurement & Sourcing Group, as well as our Corporate Development Group (which is responsible for merger and acquisition activity within the Moody's group of companies). The Corporate Development Group has a specific question on modern slavery and human trafficking in its standard due diligence request list for acquisitions.

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). 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 their own published modern slavery statements. From time-to-time, we also engage specialist contractor resources for specific projects.

Given the nature of our business and the typical goods and services we procure, we consider the risk of slavery and human trafficking in our supply chain to be low. 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

² As part of the integration of Bureau Van Dijk Electronic Publishing Limited (BvD) into Moody's, Moody's anticipates that its Procurement and Sourcing Group will fully cover, and apply its policies to, the BvD entities by year end 2019.

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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 to comply with all applicable anti-slavery and human trafficking laws (including the UK Modern Slavery Act 2015); implement due diligence procedures for their own supply chains to ensure there is no slavery or human trafficking in its supply chains; and 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.

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.

Open Door Communication and Whistleblowing

Moody's seeks to maintain an environment in which all employees feel comfortable to raise issues they believe are important. Moody's therefore supports open-door communication and encourages employees to raise concerns with their immediate supervisors or other senior managers. We also operate an Integrity Hotline for our employees to raise issues or report concerns. In accordance with applicable law, no employee will be subject to retaliation because of a good faith report of suspected misconduct.

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



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Monica Merli

Director, Moody's Investors Service Ltd, June 2019