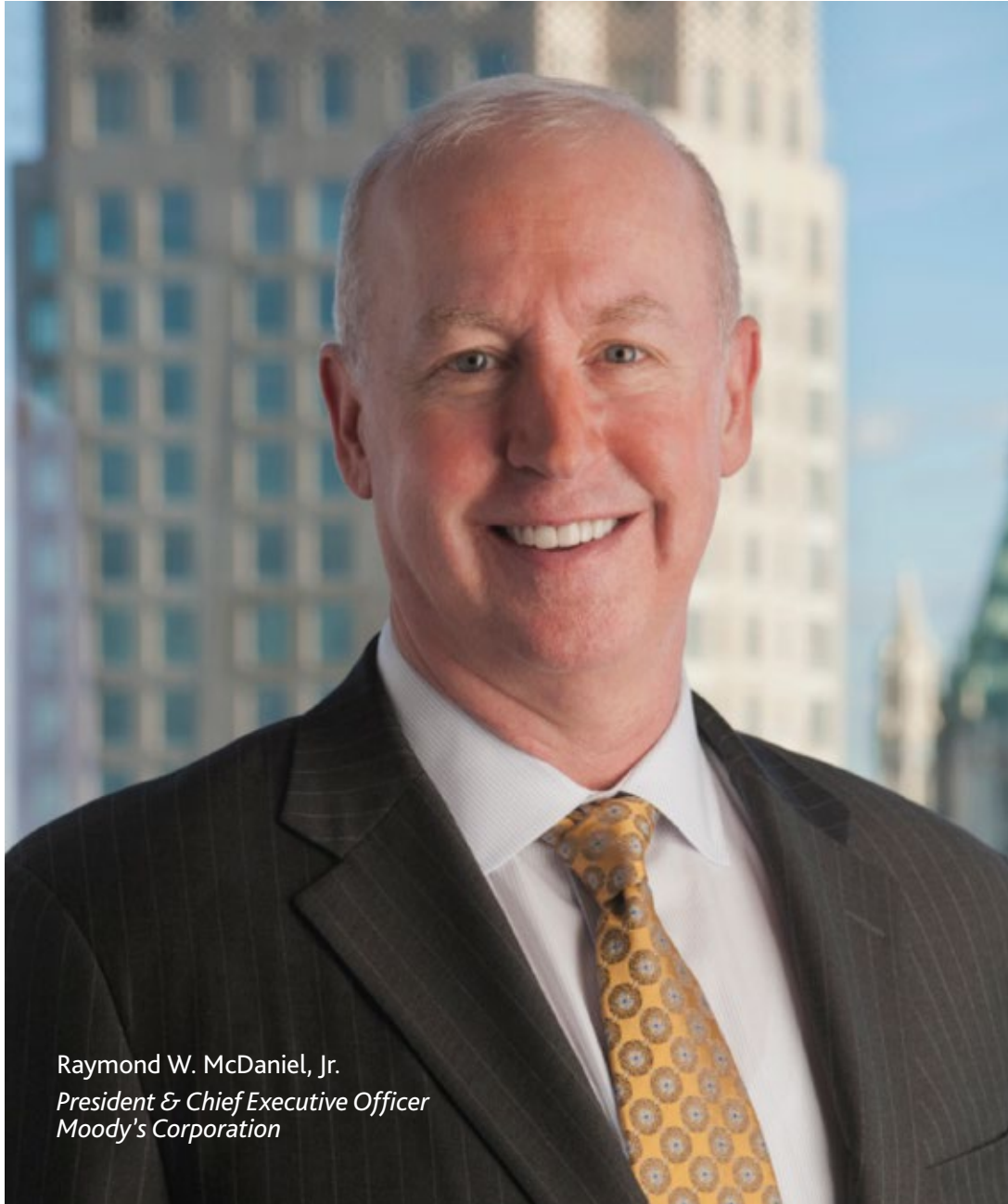


UK Gender
Pay Gap Report
2019



MOODY'S



Raymond W. McDaniel, Jr.
*President & Chief Executive Officer
Moody's Corporation*

“ At Moody’s, we value diversity and see the range of backgrounds and perspectives our employees bring as crucial to our success. Our longstanding commitment to building an inclusive workforce not only enhances the quality of our analysis, products and services, but also reflects the diverse global markets that we serve. ”

I firmly believe that Moody’s strength as a business is driven by our people, and building and supporting diversity and inclusion (D&I) at every level in our global organisation is a priority for me and my leadership team.

A key part of our D&I efforts includes striving for more balanced gender representation at all levels of our company—not just in the UK, but globally, because it is imperative for our business success.

These initiatives have a direct impact on the UK gender pay gap, which reflects the representation of men and women at different levels of the company.

At Moody’s we ensure pay equality between women and men performing comparable roles; however, because a larger proportion of senior positions are held by men than women, our UK gender pay data shows that the average salary of men is higher than the average salary of women.

Given the size of our UK workforce, a few senior individuals can have a material impact on

our data. For example, our data this year was influenced by the promotion of senior women from the UK to global roles in other locations, and the fact that we have more women at lower levels of the organisation.

Both of these factors have had a negative short-term impact on the UK gender pay gap, but they will also have a positive impact in the long term—reflecting our success in developing, promoting and attracting diverse talent.

The key to narrowing the UK gender pay gap is to focus on achieving better gender balance across the organisation. We believe that the most effective way to do so is through strategic programmes that support all Moody’s employees.

I am confident that our inclusion and talent management initiatives will improve our gender balance, and move the needle on the UK gender pay gap, to the continued long-term benefit of our people and our business.

Moody's Global Workforce

As part of our focus on D&I, Moody's regularly measures the gender balance at every level of the company.

Measuring global data allows us to better track and understand the impact of our D&I initiatives, taking into account the highly mobile nature of our workforce.

Between 2016-2018, the proportion of women has increased or remained steady at all levels of the company.

This is an encouraging development, reflecting our success in building a robust pipeline of future female leaders at the junior levels, and increasing diversity at more senior levels.

However, there is a smaller proportion of women than men in more senior positions as we move up the organisation.

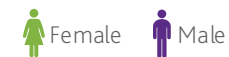
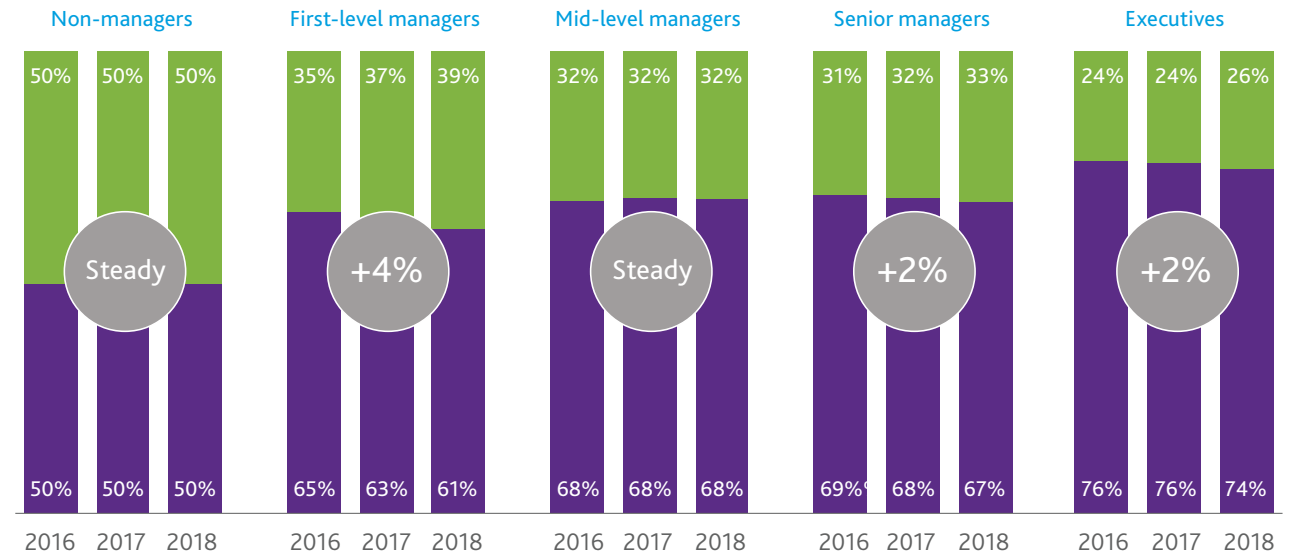
To better understand why, we engaged with over 1,500 employees globally through focus groups, interviews and a survey about their career development experiences at Moody's.

The results of the study are already helping us enhance our talent management programmes and advance D&I across the company. We believe these efforts will improve our gender balance over time and accelerate the pace of change.



+13,100
Moody's
employees

Present in
42
countries



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 (called the median), and the *average* of all women's pay and all men's pay (called the mean).

The gender pay gap analysis is not the same as a gender pay equality analysis, which assesses the pay of women and men in comparable roles. Moody's ensures pay equality through rigorous compensation-setting practices and conducts an annual audit of actual pay across comparable roles.

As a result, we know that the UK gender pay gap at Moody's Analytics and Moody's Investors Service is driven by having proportionally fewer women than men holding senior management positions and is not about equal pay.

Key factors influencing the data this year include the promotion of senior women in Moody's Analytics to global roles outside the UK, and increasing the number of women at more junior and mid-career levels in Moody's Investors Service.

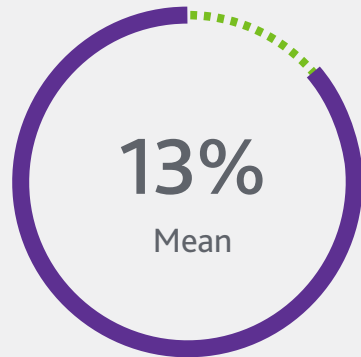
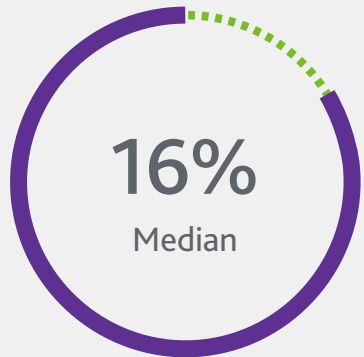
These developments have enhanced representation of women at senior levels and helped build our pipeline of future female leaders.

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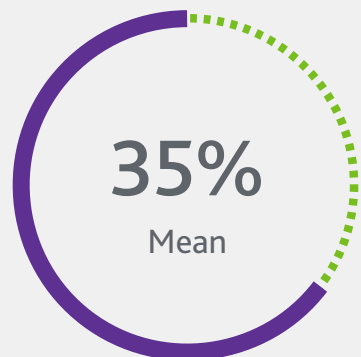
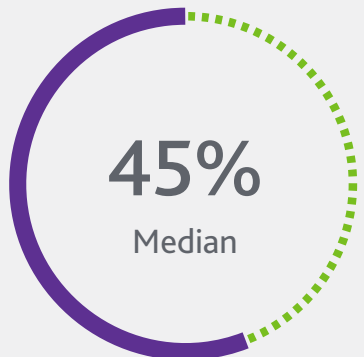


Gender Pay Gap Data – Moody's Analytics UK Limited

Gender Pay Gap



Gender Bonus Pay Gap

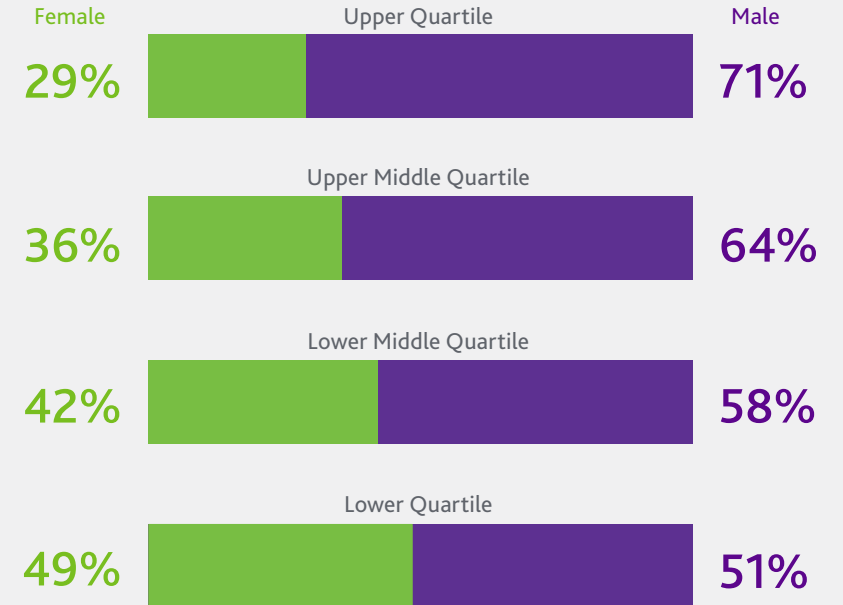


Proportion of women and men receiving bonus pay



MA staff in the UK:
436

Proportion of women and men in each quartile pay band

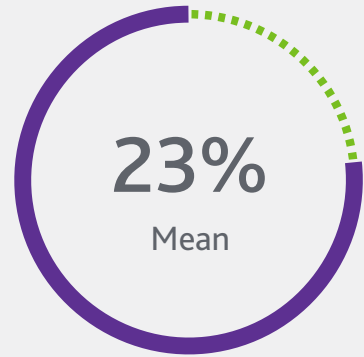
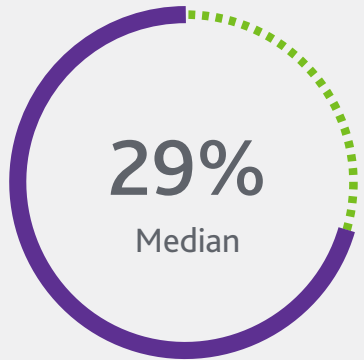


This report shows the overall median and mean gender pay gap based on hourly rates of pay within the pay period, which included 5 April 2018, and in bonuses paid in the 12 months prior to 5 April 2018.

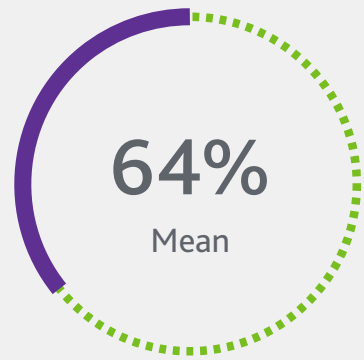
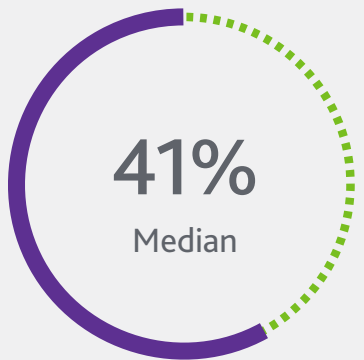
Included in the bonus calculation are payments received as part of the Moody's Performance Incentive Compensation (PIC) plan, the MA Commission plan, the vesting of Restricted Stock Units (RSUs), the exercise of Stock Options, any employment retention payments, any sign-on bonus, the staff bonus, and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

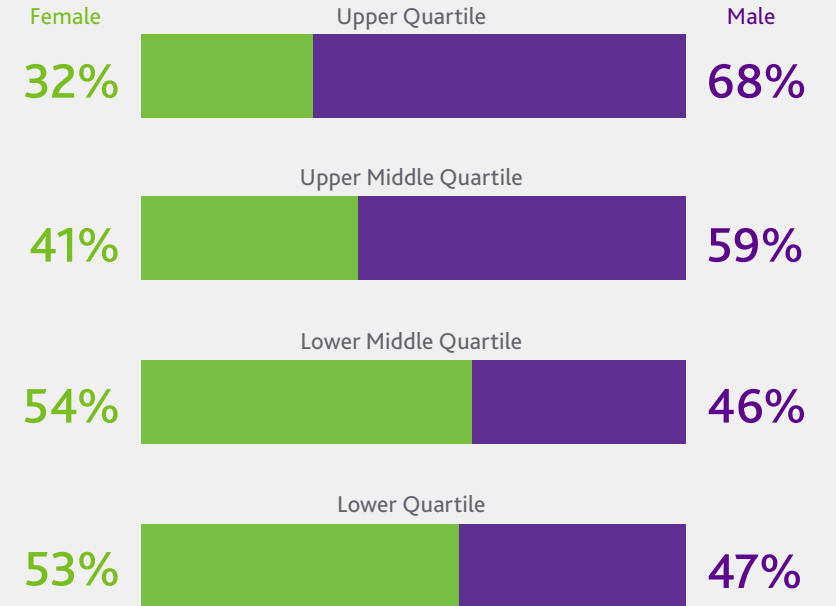


Proportion of women and men receiving bonus pay



MIS staff in the UK:
517

Proportion of women and men in each quartile pay band



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Enhancing Diversity and Inclusion

D&I is an integral part of Moody's culture

Moody's has an integrated strategy to embed D&I across our global business. We are committed to creating an inclusive environment that allows all employees to be successful and make a positive impact at Moody's.

We see everyone in our business, at all levels, as having a vital role to play in achieving this strategic objective.

We focus on educating our managers and leaders to understand the importance of diversity and equip them to build diverse teams.

Supporting our people by focusing on talent management

We recently hired a Global Head of Talent Management who is developing new programmes to enhance our initiatives on recruitment, career development, leadership development and culture, all of which include D&I at the heart of their design and execution. We will continue to regularly review the demographics of our workforce to evaluate the success of these initiatives.

In addition to our focus on talent management, we have a number of programmes in place designed to develop female leaders, including a two-year programme for senior leaders, a leadership skills programme open to all mid-career women and leadership events open to all staff.

We regularly review and develop our benefits and flexible work arrangements to ensure all our staff are supported in balancing their career development and personal needs.

Employee resource groups

Moody's has five employee resource groups (ERGs) focused on generational diversity, LGBT issues, multicultural culture and ethnicity, veterans and women, with 31 chapters globally, including five in the UK.

ERGs help us achieve our goal of developing an even more effective and inclusive work environment for all employees, and provide the voice of the employees to our leadership team.

Employees tell us that ERGs allow them to learn and understand a diverse range

of perspectives, develop leadership skills and build networks across the company.

Most importantly, they create an environment where people of different backgrounds feel they can bring their true selves to work and be valued for who they are and how their different experiences and perspectives contribute to Moody's.

Hear from our staff about how these programmes work in practice and their experiences of career development and managing diverse teams at Moody's.





Our Stories

Annabel Schaafsma

Global Head of Methodology Development, Moody's Investors Service

Annabel rejoined Moody's in 2010 as a Senior Vice President in the EMEA Structured Finance Group (SFG). Since then, she has held several roles within the EMEA SFG team as Assistant Managing Director and Managing Director. She most recently accepted a promotion to Global Head of Methodology Development.

Annabel is also a graduate of the Senior Women's Leadership Forum, a programme designed to support the professional growth and mobility of women leaders within the company, as well as a former Co-Chair of the UK Women's Employee Resource Group, which seeks to enhance the recruitment, retention and professional development of women at Moody's.

"I returned to Moody's after spending four years at an investment bank. My decision to return was a very conscious one as I felt the culture here is supportive and helps me thrive both professionally and personally.

Through the Senior Women's Leadership Forum, I was able to gain visibility as a leader, collect valuable feedback from my peers and connect to a network that provided different perspectives I might not be privy to otherwise. In fact, many of us still informally meet to continue learning from each other.

In the same vein, being a Co-Chair of the UK Women's Employee Resource Group offered new opportunities to think strategically and share ideas. I also met people from around the company who mentored me and vice versa. It really felt like a safe space to broaden my expertise.

Both initiatives helped prepare me to take on expanded roles, my most recent as a global managing director. Now that I am a senior leader, I do my best to embody the values that I most appreciate about Moody's and its development programmes: being open and honest, listening to different viewpoints and encouraging others to grow."



Our Stories

Dina Baïche

Product Consultant, Moody's Analytics

Dina began her career at Moody's Analytics as an intern. After graduating, she was hired full-time by the Client Service team in Paris and subsequently transferred to London. She most recently joined the Enterprise Risk Solutions group as a Product Consultant.

Dina participated in Moody's "Building Leadership Presence Through Powerful Communication" training, which provides women in mid-level management positions skills to enhance their leadership presence through assertive communication techniques and effective presentation methods.

In 2017, Dina won Moody's Analytics' *Artificial Intelligence Challenge*, a "Dragon's Den" style innovation competition where her idea was selected to be presented to Moody's Analytics Executive Team and ultimately chosen to be put into production.

"During my internship, I found that Moody's is a place where your opinion is valued and your colleagues are genuinely interested in helping you. One of the main reasons I decided to join Moody's Analytics full time was the feeling that I was able to contribute to the company. Even as an intern, I was treated as a contributing member of the team and my ideas were taken seriously. In my current role, I have continued to find success in engaging with senior leaders who are not only willing to give advice to a more junior person, but who are also interested in hearing what I have to say.

After I joined the Client Service team, I was given the opportunity to attend Building Leadership Presence. The programme gave me the opportunity to get valuable feedback from people of varying backgrounds about my communications and presentation skills—especially around tailoring my message to specific audiences. When I was given the opportunity to pitch my idea to the MA Executive Team as part of the AI Challenge, I felt ready to do so and I think it ultimately helped me win the competition."



Our Stories

Patrick Mispagel

Managing Director – EMEA Ratings & Research Support, Moody's Investors Service

Patrick has held a number of junior and senior positions in Moody's offices around the globe, including New York, Hong Kong and London. He began his career as an Analyst in the Public Finance Group and is now a Managing Director, leading the team in EMEA dedicated to providing high-quality and consistent analytical support across the region, while facilitating enhanced professional development and career paths.

Patrick has also been deeply involved in Moody's diversity and inclusion programmes as a founding Co-Chair of Moody's Lesbian, Gay, Bisexual, Transgender and Allies Employee Resource Group in Asia. Patrick was also recently named a top 100 OUTstanding LGBT+ Role Model for 2018, sponsored by the *Financial Times*.

"Having come up the ranks in Moody's myself, I was excited to help establish the Ratings & Research Support organisation, which is largely about recruiting and advancing diverse junior talent. In addition to providing quality services to our analytical teams, we are focused on creating growth opportunities and providing a consistent experience in terms of career progression for all our staff.

We internally developed a platform called Credit Academy to deliver training to analysts at each stage of progression from onboarding to technical development to acquiring a broader skillset in areas like teamwork and communication. We also expect our managers to have meaningful conversations with their staff to uncover what motivates them—it simply can't be a one-size-fits-all approach given the diversity of our workforce.

In fact, Moody's uniquely benefits from diversity and inclusion in that our credibility in the market is driven by showing sound judgment and making well-informed decisions about complicated issues. To do that, we need different perspectives at the table—it's really an important part of our DNA."

“ The insights, opinions and solutions we provide to our customers are based on our deep expertise and broad experience and are key differentiators in the market. To support this, it is essential that we empower our staff with the tools and skills they need to encourage diversity in all forms throughout our organisation, and create an inclusive environment that enables all of our people to succeed. ”

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



We confirm the data reported in this report is accurate.



Raymond W. McDaniel, Jr.
President & Chief Executive Officer
Moody's Corporation



Melanie Hughes
Chief Human Resources Officer
Moody's Corporation



MOODY'S