



MOODY'S

Modern Slavery Act Statement 2022

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 13,000 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 the company's 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 2022 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. Moody's recent acquisition Risk Management Solutions Limited, which also falls within the scope of section 54(2), issues a separate Modern Slavery Act Statement pending full integration with Moody's systems.

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 accelerated the commitment to achieve net-zero emissions across its operations and value chain by 2040, a decade earlier than the previous commitment to the United Nations Global Compact Business Ambition to limit global temperature rise to 1.5°C. In addition, Moody's updated its [Environmental Sustainability Policy](#) to reflect the latest efforts to enhance its environmental performance. 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

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 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. The Company offers equal opportunities and employs individuals from diverse backgrounds and experiences to foster an inclusive and equitable workplace, enhance the quality of its products and services, and empower its people to be catalysts of environmental and social change. In 2021, the Company aligned to a single performance management approach to empower employees to manage their professional development and launched or expanded several

training and development programs. For example, Moody's paid return-to-work program, RE-IGNITE, has been expanded to the UK for mid-to-senior level individuals who are restarting their careers after at least a two-year hiatus.

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 2021, Moody's focused its community engagements on supporting entrepreneurs from under-resourced communities and helping young people pursue careers in finance, technology and economics. This included a six-month educational program and an internship opportunity at Moody's to more than 160 female students, who attended 51 universities, including in the UK. In addition, Moody's helped small business owners, especially women, grow their businesses by offering virtual, interactive bootcamps and online training modules that focus on credit training and accessing markets and capital. This program expanded in the UK in 2021.

BETTER SOLUTIONS

Moody's solutions and standards integrate environmental, social and governance (ESG) considerations and contribute to a greener economy. This provides customers with the tools and insights to mitigate risks and capitalize on the opportunities presented by the transition to an inclusive, sustainable global economy. Moody's plays a pivotal role in accelerating the transformation of markets, by providing participants with information that helps them evaluate risk and integrate ESG considerations into their capital allocation and long-term planning. In 2021, Moody's acquired RMS, a leading global provider of climate and natural disaster risk modeling and analytics, and made other strategic investments to ensure its offering provides the depth and breadth necessary to respond to the diverse and evolving requirements of ESG market participants. For example, Moody's 2021 acquisitions of Cortera, Bogard and PassFort augment our Know-Your-Customer capabilities and suite of solutions.

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





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 biannually by the Moody's Corporation Board of Directors, sets out the guiding principles that the Company expects each employee and corporate director to follow. Every Moody's employee¹ receives training on the Code and is periodically required to certify that he or she has reviewed the 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. It has a Procurement & Sourcing Group, which is responsible for the management of the Company'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 launched the Tier II Supplier Diversity program to encourage diverse spend within the supply chains of its top 50 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, the Company's master professional services agreement template requires suppliers to ensure their personnel adheres to the Supplier Code. The Supplier Code reflects social and environmental considerations in Moody's supply chain, and describes the Company'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 UK Modern Slavery Act 2015. The [Supplier Code of Conduct](#) can be found on Moody's website.

¹ Refers to employees on Moody's payroll.

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, the Company 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 2021, 28% 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 new suppliers based on criticality and risk, and screening all key suppliers² with Compliance Catalyst, a Moody's Analytics tool powered by its Grid and Orbis databases on private companies. Moody's assesses a broad spectrum of risks, including modern slavery and human rights violations. In addition, the Company has put in place a clear escalation pathway to ensure it can

² Key suppliers are those deemed highest criticality by Moody's in terms of regulatory impact as well as high priority software suppliers

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 – and aggregates this data into an overall scorecard to track its priority vendors. To date, 100% of Moody's key suppliers have been assessed and no high-risk suppliers were identified.

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 non-compliance 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.

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.

In this reporting period, all 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, completed a mandatory training course on modern slavery.

In addition, all of Moody's Sourcing Managers receive 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.

Monica Merli

Director, Moody's Investors Service LTD
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