



UK Gender
Pay Gap Report
2020
MOODY'S



Diversity and inclusion are in Moody's DNA. We are firmly committed to providing a supportive workplace where all employees can thrive.

Moody's UK gender pay report is an opportunity to reflect on our progress in driving more balanced gender representation at all levels of our company, and to set out the steps that we will take to improve in the future.

The UK gender pay gap data reports on a number of different statistics with particular focus on average pay of all women vs. all men in both Moody's Investors Service (MIS) UK Limited and Moody's Analytics (MA) UK Limited. We are confident that men and women across our organisation are paid equally for doing the same job and review our pay practices globally every year to ensure pay equality across comparable roles.

Our 2019 gender pay data reflects the fact that, although we have been successful in building a pipeline of female talent, relatively low turnover in senior leadership positions means that there continues to be fewer women than men in the most senior roles in the UK.

Addressing the underlying causes of this requires the commitment and long-term focus from all of our

global employees. Leveraging our global polices to build greater diversity, particularly at senior levels, will be an important driver for UK data in the future and we are committed to accelerating the pace of progress.

This year we have evolved our HR processes, based on engagement with over 1,500 employees globally, to create specific new measures to support our people managers, enhance our processes and increase transparency.

We have also realigned our diversity and inclusion strategy with the aim of ensuring that all of our employees feel welcomed, valued, respected, heard, and have equal opportunities. In addition, we have taken steps to increase accountability through our emphasis on internal reporting and analytics and enhanced governance structure.

We know that it will take time to see the impact of these measures, but we are confident that we are moving towards a better future for our company and the communities and markets that we serve.

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



“This year at Moody's we rearticulated our mission - to provide trusted insights and standards that help decision-makers act with confidence. Creating an environment that maximizes every employee's potential strengthens our capabilities and is central to bringing the best of Moody's to our customers.”

Moody's Global Workforce

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.

This means vacancies for these roles do not arise as frequently, and it will take time to increase the proportion of women at the more senior levels of the company, and reduce our overall gender pay gap.

The proportion of women at senior level of the company continues to rise overall. Between 2016 and 2019 the number of female executives rose by 6% to make up 30% of the overall total.

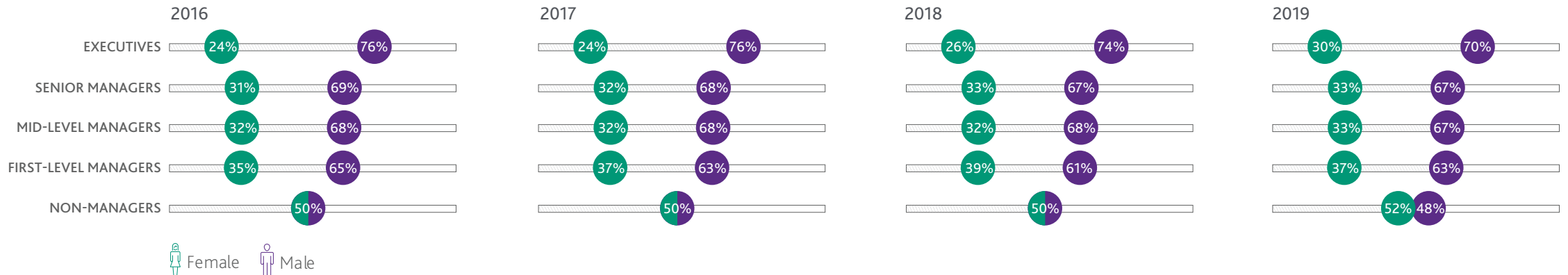
There are significantly fewer senior roles, and turnover at this level is much lower than in more junior positions.

“ We are committed to accelerating the pace of progress in the UK and globally through our Talent Management and Diversity and Inclusion strategies. ”

11,000+
Moody's
employees



Present in
40+
countries



Talent Management

We are focused on developing and empowering a diverse set of current and future leaders. In 2019, we evolved our talent management strategy with a greater focus on developing our people managers, enhancing our structure and processes and increasing transparency on compensation.

Driven by our engagement with over 1,500 employees globally through focus groups, interviews and a survey about their career development experiences at Moody's last year we have launched a series of new programmes focused on developing talent and fostering inclusive leadership at every level of our business.



Moody's Leadership Success Profile (LSP)

We have developed and launched the Moody's Leadership Success Profile (LSP), which articulates the behaviours of the global leaders we need for today and tomorrow, and have integrated the LSP framework into our leadership development programs, talent acquisition, and talent review processes.



Leadership Essentials Program

We have launched Leadership Essentials, a new global program focused on new leaders across the organization. This highly interactive program spans 6 months and is delivered virtually, focusing on fundamental leadership skills including performance management, feedback, delegation, and change leadership.



Senior Women Leadership Program

We have re-vamped our Senior Women Leadership Program, a 6-month interactive leadership development program that supports the professional growth and mobility of senior officer-level women with the LSP and will continue to build upon our development programmes.



Diversity and Inclusion

We are firmly committed to providing a supportive workplace where all employees can thrive as their authentic selves. Creating an inclusive culture begins with our leaders modelling inclusive behaviours and supporting our colleagues at every level of the organization to drive an inclusive workplace.

- » We launched TIDE, a global development program for high potential leaders with a focus on women and underrepresented groups that provides visibility and executive support through individual development experiences.
- » We will conduct mandatory diversity and inclusion training to more than 1,400 people managers aimed at creating an environment where differences are encouraged, and where diverse perspectives are sought out with intention. In 2021, this training will be rolled out to all employees.
- » We encourage our employees to contribute their feedback on gender pay as part of our wider initiatives on addressing inequalities across

the organization. We've created an interactive event series called Courageous Conversations and have created an Upstander Toolkit to help facilitate employee discussions and have furthered this work through the efforts of our Employee Resource Groups.

How we measure success

We have taken steps to increase accountability through our emphasis on internal reporting and analytics and enhanced governance structures.

We use an internal diversity scorecard to obtain a holistic view into the organization and our D&I opportunity as we hire, promote, and examine employee turnover to understand how we can best retain diverse talent.

Living our values

Our mission is to provide trusted insights and standards that help decision makers act with confidence. We apply this philosophy in our efforts to drive

greater gender equality through our own analytical work and sponsored third party research. For example, we published a [report](#) on the positive impact of Lloyd's plan to increase staff diversity on Lloyd's credit risk in the UK, and have sponsored [research](#) on how to retain women of colour in the workforce.

Supporting career development through an unprecedented time

The coronavirus pandemic has presented an unprecedented set of challenges, including economic uncertainty and how to focus on career development while working remotely.

Many of our UK and global employees have participated in Moody's Moments That Matter, a virtual development series designed to support employees and managers with interactive tools and resources focused on career development, well-being and community.



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).

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

We are committed to transparency and have published our 2020 UK gender pay report (representing 2018/2019 data) on a voluntary basis. Our gender pay gap data at both Moody's Analytics and Moody's Investors Service is similar to the data we reported in 2019.

Although we have been successful in building a pipeline of female talent, relatively low turnover in senior leadership positions and the global nature of our

business means that there continue to be fewer women than men in the most senior roles in the UK.

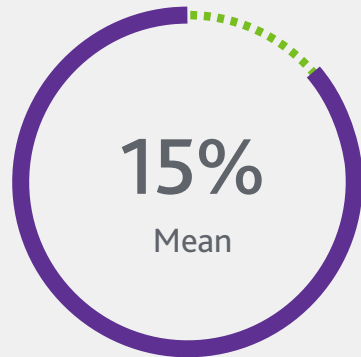
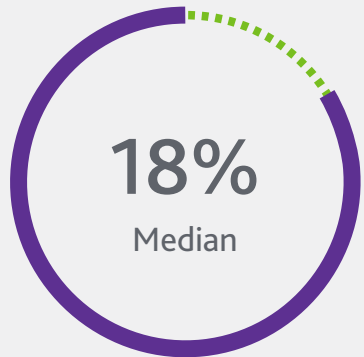
This pattern drives variations in our gender pay gap data. For example, bonuses in MA were higher in this reporting period, which caused the median bonus gap to fall by 3% compared to last year. However, the mean bonus gap increased as there are more men in senior positions, which attracted higher bonuses.

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

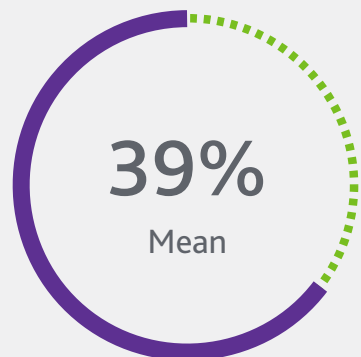
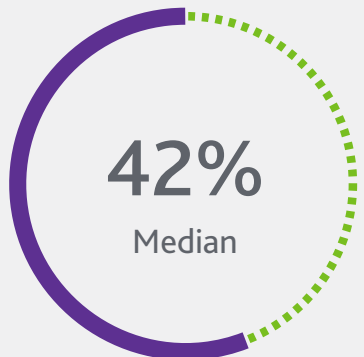


Gender Pay Gap Data – Moody's Analytics UK Limited

Gender Pay Gap



Gender Bonus Pay Gap



Proportion of women and men receiving bonus pay



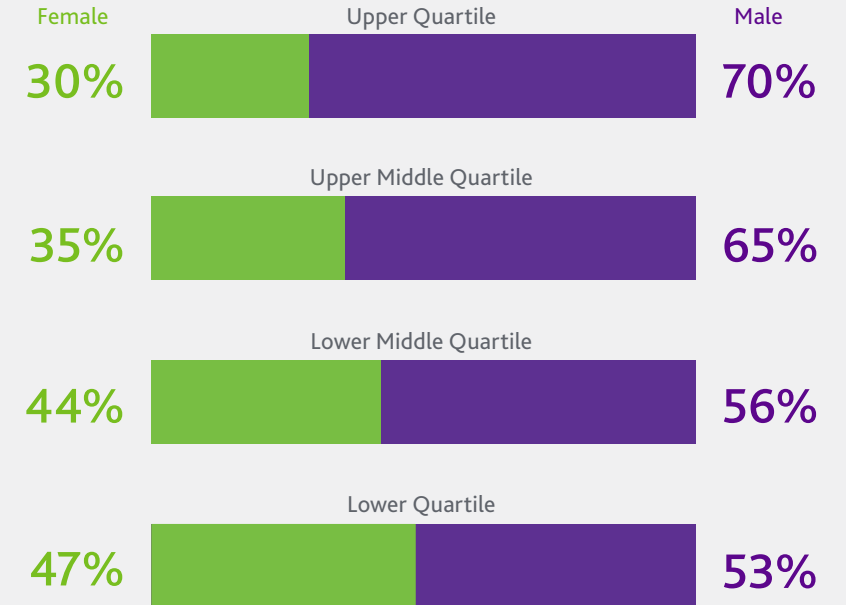
90%



92%

MA staff in the UK:
469

Proportion of women and men in each quartile pay band

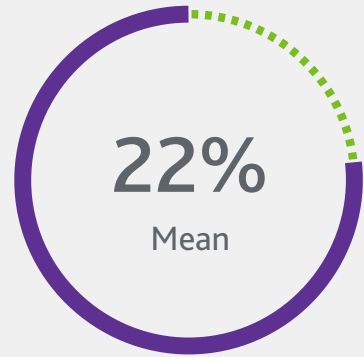
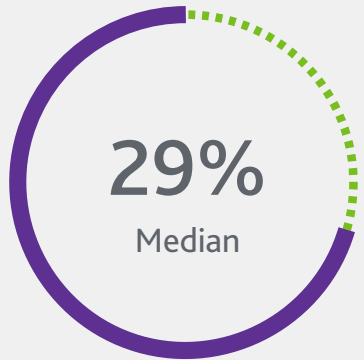


This report shows the overall median and mean gender pay gap based on hourly rates of pay within the pay period, which included 5 April 2019, and in bonuses paid in the 12 months prior to 5 April 2019.

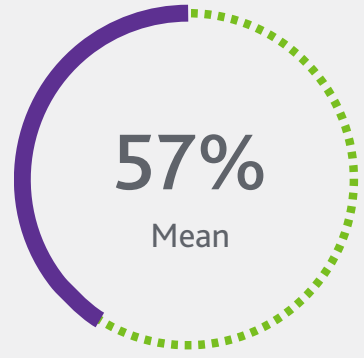
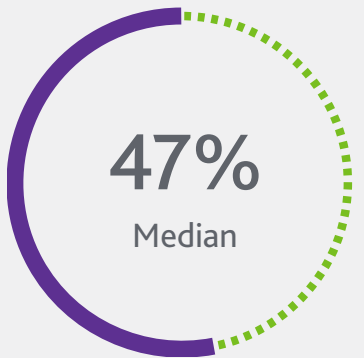
Included in the bonus calculation are payments received as part of the Moody's Performance Incentive Compensation (PIC) plan, the MA Commission plan, the vesting of Restricted Stock Units (RSUs), the exercise of Stock Options, any employment retention payments, any sign-on bonus, the staff bonus, and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



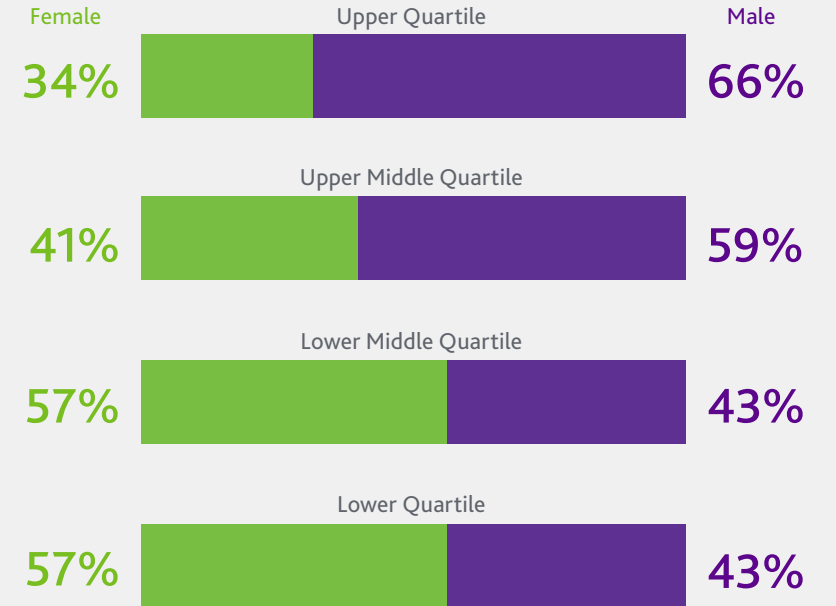
94%



93%

MIS staff in the UK:
451

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 2019, and in bonuses paid in the 12 months prior to 5 April 2019.

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.

“Paying our people fairly and equitably relative to their specific role, seniority, responsibilities, skills and experience is central to our global reward philosophy. Our gender pay data shows we need to continue our focus on creating and enhancing female representation in senior leadership roles.”

Melanie Hughes
Chief Human Resources Officer
Moody's Corporation



MOODY'S