

MOODY'S INVESTORS SERVICE LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2020

The board of directors of Moody's Investors Service Limited ("the Company") present their annual report, which includes the audited financial statements of the Company for the year ended 31 December 2020.

Dividends

On 25 September 2020, an interim dividend of £26m was paid to Moody's Shared Services UK Limited, the Company's immediate holding company (2019: £39m).

Board of directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

Neil Acres
 Lesley Jones
 Philipp Lotter
 Monica Merli
 Roderick Munsters
 Michael West

None of the directors have an interest in the shares of the Company or its immediate parent company and fellow subsidiaries.

Indemnity

The Company's Articles of Association provide for the indemnification of the directors to the extent permitted by the Companies Act 2006.

Greenhouse gas ("GHG") emissions and energy use data

	2020
GHG emissions	metric ton
Scope 2 – emissions from purchased energy (market-based)	—
Scope 2 – emissions from purchased energy (location-based)	215.7
Emissions intensity - location-based (per square metre)	0.038

The location-based method reflects the emissions from the local power grid on which consumption occurs. The market-based method reflects emissions from the energy that the Company is purchasing and includes renewable electricity. The Company seeks to reduce our Scope 2 emissions by procuring the renewable electricity through renewable energy attribute certificates and increasing contracts with utility suppliers whose electricity originates from a renewable source.

The Company did not incur any emissions from Scope 1 and this is the first year we report our greenhouse emissions. Scope 2 market-based emissions have been calculated in accordance with GHG Protocol Scope 2 – Corporate Standard on procured renewable energy.

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	2020
Streamlined energy and carbon reporting	kWh
Energy consumed	939,139

We report our energy consumed and associated GHG emissions from electricity and fuel, Scope 2, using the GHG Protocol Corporate Reporting.

Moody's environmental policy has been set by its board of directors and Moody's Chief Financial Officer has principal responsibility for coordinating and monitoring the Policy.

In 2020, Moody's established new environmental sustainability commitments. This includes: procuring 100% renewable electricity for our global operations starting in 2020; remaining carbon neutral for our operations, business travel and employee commuting on an annual basis; and retrospectively offsetting Moody's GHG to the year 2000, when Moody's became a public company. In addition, Moody's set science-based targets to reduce GHG emissions on the path to achieving net-zero by 2050. These targets include:

- Reduce absolute Scope 1 and Scope 2 GHG emissions 50% by 2030 from a 2019 base year;
- Reduce absolute Scope 3 GHG emissions from fuel and energy related activities, business travel and employee commuting 15% by 2025 from a 2019 base year; and
- 60% of suppliers by spend covering purchased goods and services and capital goods to have science-based targets by 2025.

For more information, please refer to Moody's decarbonisation plan on [ir.moodyys.com](https://www.moodyys.com/ir/moodys-decarbonisation-plan).

Specific areas where the Company has implemented to achieve Moody's objectives include:

- Introducing LED lighting, where possible;
- Use sensors so that lights turn off automatically within a specified time of detected non-occupancy; and
- Using green energy when purchasing electricity power.

Disclosure of information to the auditor

The directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and they have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of such information.