

# 2014 Corporate Social Responsibility Report

Moody's



# AS A GLOBAL COMPANY ACTIVE IN FINANCIAL MARKETS AROUND THE WORLD,

we believe that Moody's has a responsibility to the communities in which we work and live, as well as to our stakeholders. Our commitment is built on our employees' deeply ingrained sense of social responsibility and the recognition that our company grows stronger by helping to advance the lives of others through responsible business practices and corporate citizenship.



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## About This Report

This report focuses on Moody's triple bottom line: People, Planet and Profit. In the course of our business, we speak to and survey our customers, employees, investors, public officials, members of the media, vendors and community partners to learn what is important to them. We engage with these stakeholders and obtain their feedback, which informs the content of this report.

This report covers the period of January 1 to December 31, 2014. Moody's publishes a Corporate Social Responsibility Report annually (past reports are available on our website at [moodys.com/csr](http://moodys.com/csr)). Like our corporate annual report, this document covers all of Moody's Corporation and its subsidiaries.

This Corporate Social Responsibility Report has been produced within the guidelines of a Level C+ report as defined by the Global Reporting Initiative (GRI) 3.1. The report has gained external assurance by LBG Research Institute. Its letter of assurance appears on page 24 and the GRI Index appears in Appendix 5 on page 29. For questions or feedback on this document, please contact [csr@moodys.com](mailto:csr@moodys.com).



## A Letter from Raymond W. McDaniel, Jr., President and CEO of Moody's Corporation

As a leading authority on credit and risk, Moody's has a responsibility to our customers, employees, investors and the public to uphold the highest standards in our work.

We live by our core values of integrity, insight, intellectual leadership, inclusion and independence. Together, they guide the way we work internally and the way we interact with our customers and other stakeholders.

Through Moody's broader outreach efforts, the company is increasing its visibility in the area of sustainable and responsible investing. In 2014, Moody's Investors Service President and COO Michel Madelain was invited to speak at the Sustainable Stock Exchanges Global Dialogue at the United Nations Committee on Trade and Development 2014 World Investment Forum in Geneva. Together with 30 CEO-level executives representing stock exchanges, companies, institutional investors and high-level policymakers, Michel participated in a discussion of the sustainability-related opportunities and challenges facing the capital markets today. Michel's participation in this forum signals our deep interest in the topic of sustainability and our commitment to incorporating corporate governance and environmental or social factors in our credit analysis when they are relevant and material.

Internally, we measure our impact by looking at the three Ps of the triple bottom line: People, Planet and Profit. We take our responsibility seriously in all three areas, and our efforts reflect our core values.

Moody's has always recognized that people are our most important asset. We hire the best individuals and give them the tools they need to succeed, including ongoing training and professional development opportunities. Our work environment is collegial and

challenging—we encourage our employees to express their opinions and be open to their colleagues' feedback.

Outside our offices, we support our communities through financial and in-kind donations and volunteerism, spearheaded by The Moody's Foundation. In 2014, the Foundation donated \$6.18 million to charitable causes and facilitated 14,794 hours of volunteer service.

Although Moody's is not a large consumer of natural resources, we make a strong effort to consume less by reducing, reusing and recycling. We track our performance closely and report our success annually in this report. In 2014, we saved 2.2 million Kwh of electricity through our conservation programs and recycled 257 tons of paper.

Profit to us means not just producing returns for our shareholders, but also ensuring that our credit and risk products are objective, transparent, accurate and insightful. Our customers know that they can trust Moody's to deliver the research and tools they need to manage risk and make informed decisions. And research has shown that, over time, Moody's credit ratings are high quality and predictive of default.

This report details how we put our commitment to the triple bottom line into action. We believe that by doing so, we help achieve our mission of being the world's most respected authority serving risk-sensitive markets.

**Raymond W. McDaniel, Jr.**

A handwritten signature in black ink, appearing to read "Raymond W. McDaniel, Jr."

*President & Chief Executive Officer*

**"WE LIVE BY OUR  
CORE VALUES  
OF INTEGRITY,  
INSIGHT,  
INTELLECTUAL  
LEADERSHIP,  
INCLUSION AND  
INDEPENDENCE."**

# Our mission: to be the world's most respected authority serving risk-sensitive markets.

Moody's Corporation provides credit ratings, research, tools and analysis that contribute to transparent and integrated financial markets. Moody's products and services are used around the world by large financial institutions operating in global capital markets. Headquartered in New York City, the company has a presence in 33 countries.

Moody's (NYSE: MCO) is a publicly traded company, reporting revenue of \$3.3 billion and net income of \$988.7 million in 2014. It is the parent company of Moody's Investors Service (MIS) and Moody's Analytics (MA). MIS, which provides credit ratings and research covering debt instruments and securities, contributed 68% of the corporation's revenue in 2014. MA, which offers leading-edge software, advisory services and research for credit and economic analysis and financial risk management, contributed 32%. For more on Moody's businesses, see our annual report at [moodys.com/2014AnnualReport](http://moodys.com/2014AnnualReport).

Moody's global staffing was 9,884 as of year-end 2014. Less than 1% of employees are unionized.



**3,138** + **412** + **1,651** + **4,683** = **9,884**  
employees in the United States      employees in the Americas      employees in EMEA      employees in Asia  
**total Moody's employees**

# People

The views of each Moody's employee matter and, collectively, those views contribute to our ability to serve credit- and risk-sensitive markets worldwide. We leverage the depth and breadth of experiences that our employees bring to work each day and encourage them to share their diverse opinions. We expect Moody's employees to be accessible and collaborative and, in return, Moody's offers a work environment that promotes intellectual curiosity, analytical rigor and collegiality.



# How We Work

## Our Employees Are Our Greatest Asset

Moody's employees are diverse, intellectually curious, insightful and collaborative, which results in quality products that meet the needs of the global capital markets. We take pride in our employees and want them to be proud of Moody's.

In 2014, Moody's began a multi-year, multi-phased HR transformation initiative, Project **THRIVE**, with the mission of *enabling people, inspiring confidence and supporting growth*.

The **THRIVE** initiative is designed to continue to give our people a high level of support as the company grows. Among the early-stage actions was the launch of HR Connect, a newly formed internal HR team dedicated to providing support to employees and managers on routine HR matters, including policies, benefits and administration.

We also launched a new Moody's Knowledge Portal (MKP)—a global tool to support employees' development needs. MKP consolidates all training into one online source where employees can view and register for all training available to them and managers can assign and monitor the training of their staff members.

## Work and Personal Life Demands

We take care of our employees by helping them be successful in their jobs, live healthier lives and cope with life's demands.

With our global Workplace Flexibility Policy, we support our employees' needs for flexibility in their work schedules to better manage their work and life beyond the office. Part of Moody's diversity and inclusion strategy, our workplace flexibility program was first introduced in 2013 in the US, Germany and the UK. In 2014, the program was rolled out in Singapore, Hong Kong, Japan, South Korea, Australia, Thailand, Canada and France. Employees and managers are encouraged to work together to find the balance that meets both the needs of the individual employee and the company.

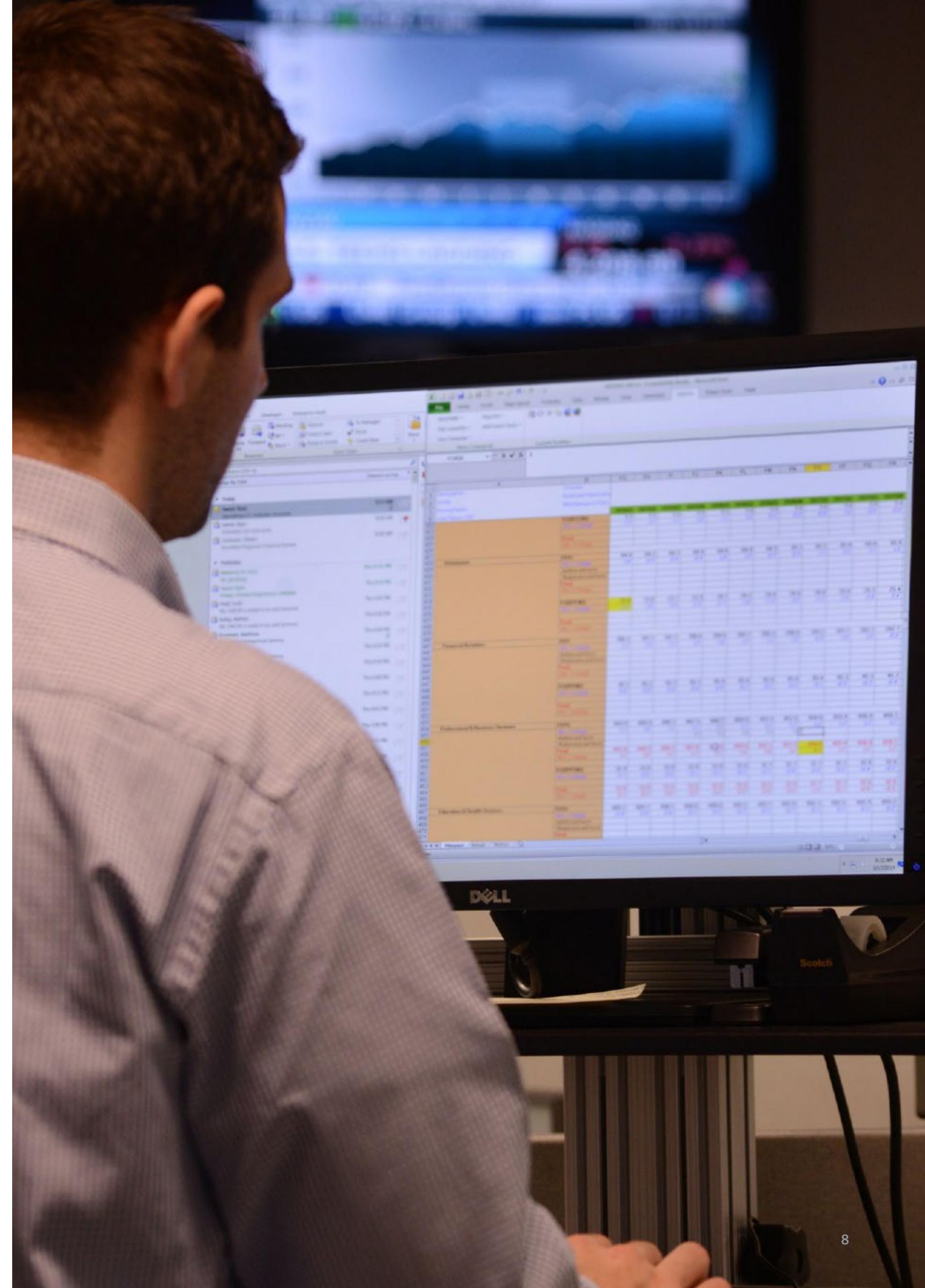
Another way in which the company supports employees is through the LifeCare Resource and Referral Service, a safe and confidential way for US employees to seek assistance for a range of issues. The service connects employees to resources to support for behavioral health issues, chronic disease management, career change issues, retirement planning and more. The service is free and part of the regular benefits package. (See Appendix 4 on page 28 for a full list of benefits.)

## Moody's Business Effectiveness Survey

The company's annual Business Effectiveness Survey asks employees how they feel about important factors such as employee development, reward and recognition, company management, innovation and change. The survey always gets a high response rate—nearly 90% in 2014—and the company receives high marks as an employer. For example, more than 77% of employees who responded either agree or strongly agree that they would recommend Moody's to a friend or colleague as a place to work.

**93%**  
satisfaction rating for  
HR Connect

**70%**  
of global employees accessed  
Moody's Knowledge Portal  
since its launch





**77%**

of employees surveyed recommend  
Moody's as a place to work

**100%**

of employees are trained in Moody's  
Code of Business Conduct

**3,314**

employees attended leadership and  
organizational development classes

# Diversity & Inclusion

Moody's believes that a diverse and inclusive workplace should be encouraged and makes good business sense. To assist managers in understanding their role in overseeing a diverse and global workforce, Moody's Diversity & Inclusion team offers diversity training to provide managers with insight into the day-to-day work experiences of their employees. Approximately 25% of managers globally have received diversity training through the "Voices of Diversity" program.

Moody's Employee Resource Groups (ERGs) encourage employee engagement by offering opportunities to network, learn and grow. Open to all employees, ERGs are valuable business resources for developing a more effective and inclusive work environment for all employees across the company.

Today, Moody's has four ERGs with 17 chapters worldwide:

- » Moody's Lesbian, Gay, Bisexual, Transgender and Allies (LGBTA) ERG
- » Moody's Multicultural ERG
- » Moody's Veterans ERG
- » Moody's Women's ERG

Moody's ERGs have the commitment of the company's senior leaders, who serve as the groups' executive sponsors. Through active engagement with the Moody's community,

# 6,000

D&I training hours were conducted by 17 ERG chapters around the world

members have numerous opportunities to expand their professional skills, sharpen their business acumen and demonstrate their leadership abilities.

The ERGs also provide educational programs that are open to all Moody's employees. Some of the ERGs' 2014 events included:

- » The US Multicultural and Veterans ERGs honored the Tuskegee Airmen as part of Black History Month activities. Three of the aviators participated in a panel discussion about their history-making service as well as the challenges they faced both in the service and in civilian life due to racial discrimination.
- » The NY LGBTA ERG hosted its annual Pride Month event with a panel discussion, "Gender Authenticity and Transgender in the Workplace."
- » Moody's Women's ERGs hosted professional development sessions including "Leadership Spotlights with Senior Leaders" in Asia, a "Personal Branding Session" in Canada, "Spotlight on Capital Markets" in London and "Lean In Circles" in New York.

Moody's is frequently cited as an LGBT employer of choice. The Empire State Pride Agenda gave Moody's NY LGBTA ERG an "Equality@Work" award, and for the third year in a row, Moody's scored a perfect 100% on the Human Rights Campaign's (HRC) Corporate Equality Index (CEI) and was named one of HRC's "Best Places to Work" for 2014. The CEI is a national benchmarking tool on corporate policies and practices pertinent to lesbian, gay, bisexual and transgender employees. Moody's is also a member of Stonewall UK's "Diversity Champions" program.



## MOODY'S VETERANS ERG



## MOODY'S MULTICULTURAL ERG



## MOODY'S LGBT+ ERG



## MOODY'S WOMEN'S ERG



# How We Give

## Contributing to Our Communities

The Moody's Foundation is the company's philanthropic arm, providing financial donations to organizations chosen by the directors of the Foundation as well as grants directed by employees through our Matching Gifts and Dollars for Doers programs. In 2014, The Moody's Foundation contributed more than \$5.09 million to more than 80 nonprofits and another \$1.09 million through employee-directed giving, for a total of \$6.18 million.

The Moody's Foundation's primary focus is on education—particularly math, economics and finance. In 2014, the Moody's Foundation refined its focus in health and human services to include at-risk youth and youth employability.

# \$6.18

million total giving

### DIRECT GRANTS AND EMPLOYEE-DIRECTED GIVING

EDUCATION 51%  
\$2.59 million

Employee-Directed Giving  
**\$1,089,938**

The Society for Industrial & Applied Mathematics  
**M³ CHALLENGE \$1,069,500**

Girls Inc.  
**\$237,000**

Grameen Foundation  
**\$193,670**

Network for Teaching Entrepreneurship  
**\$259,550**

Autism360  
HEALTH AND HUMAN SERVICES 5%  
**\$275,000**

DISASTER RECOVERY 1%  
**\$50,000**

CIVIC 9%  
**\$444,900**

Points of Light  
**\$85,200**

New York Cares  
**\$75,000**

The Battery Conservancy  
**\$75,000**

ECONOMIC DEVELOPMENT 25%  
**\$1.26 million**

Center for Talent Innovation  
**\$175,000**

Kiva  
**\$188,000**

The Cooke Center for Learning & Development  
**\$150,000**

National 9/11 Memorial & Museum  
**\$100,000**

Autism360  
**\$150,000**

ARTS AND CULTURE 9%  
**\$469,760**

National Academy Foundation  
**\$100,000**

National Academy Foundation  
**\$100,000**

Girls Who Code  
**\$150,000**

National Academy Foundation  
**\$100,000**

Girls Who Code  
**\$150,000**

The Society for Industrial & Applied Mathematics  
**M³ CHALLENGE \$1,069,500**

Girls Inc.  
**\$237,000**

Grameen Foundation  
**\$193,670**

Network for Teaching Entrepreneurship  
**\$259,550**

Autism360  
**\$150,000**

HEALTH AND HUMAN SERVICES 5%  
**\$275,000**

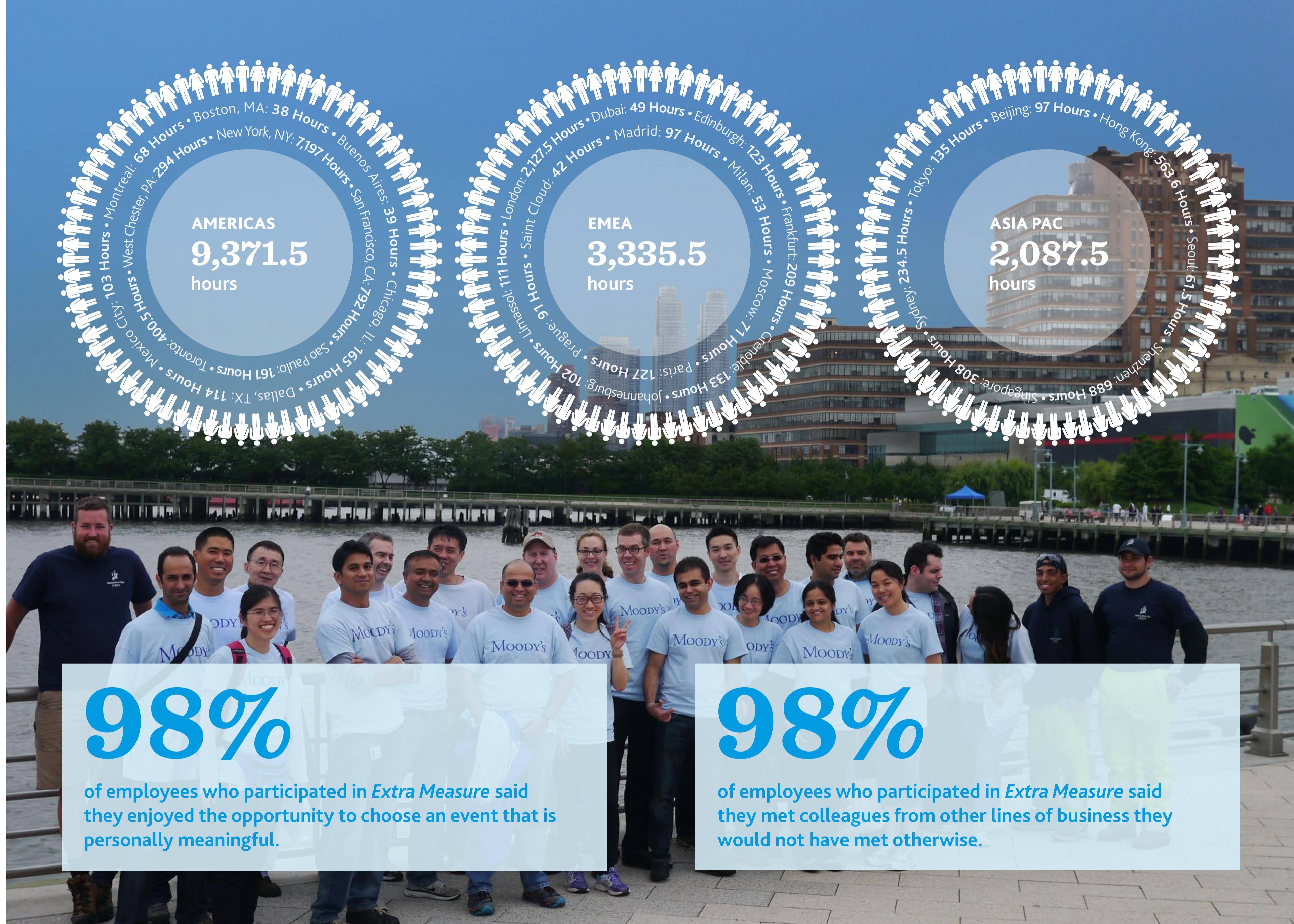
ARTS AND CULTURE 9%  
**\$469,760**

## Moody's Employees Volunteer in Their Communities

Each year, the Moody's Afternoon of Service program offers employees a chance to work together and serve their local communities on team-based volunteer projects. The program is truly a global effort with 100% of Moody's offices participating in projects around the world, for a total of 14,794.5 hours donated in 2014.

Moody's business units spend half a day tackling a community need while also strengthening their own working relationships with their teammates. Examples of community service projects include beautifying outdoor spaces and upgrading interior spaces, sorting and packing donated goods, making the day brighter for the elderly and children, and preparing and serving meals.

In 2014, The Moody's Foundation piloted a new program called *Extra Measure* that gives employees a second annual opportunity to volunteer and which reaches across all business units. The new initiative allows employees to choose from a menu of projects and select one about which they feel personally passionate while volunteering with employees who share similar interests. Given the success of the program, *Extra Measure* projects will be rolled out in select cities in 2015.



**“MY VOLUNTEER SERVICE  
WAS A WONDERFUL  
OPPORTUNITY TO  
WORK WITH JOB SEEKERS  
AND HELP THEM WITH  
THEIR RESUMES AND  
INTERVIEWING.”**





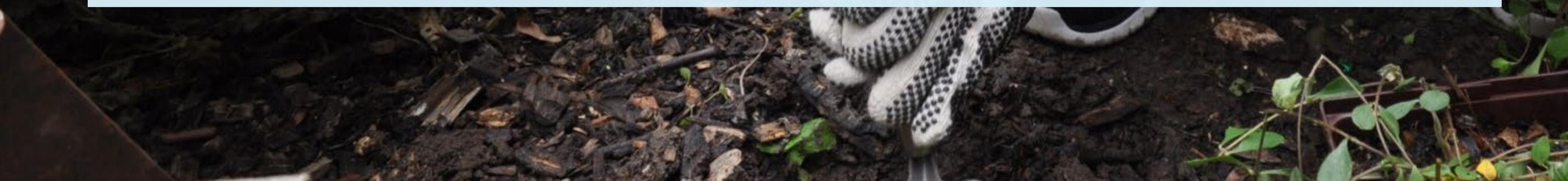
# Planet

Moody's commitment to the planet is spelled out in our Environmental Policy: "Moody's Corporation is committed to doing our part to protect and care for the environments in which we live and work, including compliance with the letter and spirit of all relevant environmental legislation. This commitment is demonstrated by the continuous development and implementation of practical and effective corporate policies and programs that support the more efficient use of natural resources and reduce the impact of our businesses on the environment."



## Sustainable Sourcing Guidelines Scrutinize Environmental Practices of Suppliers

Moody's commitment to corporate social responsibility extends to its relationships with its suppliers. Our Sustainable Sourcing Guidelines address all three elements of People, Planet and Profit. In the Planet area, Moody's suppliers are expected to manage their operations in accordance with good environmental practices and to develop products and services that can help Moody's improve its environmental performance.



# Environmentalism at Moody's

The key word in our approach to environmentalism is captured in our environmental policy: commitment. Moody's may not be a resource-intensive business, but we are committed to doing what we can to reduce, reuse and recycle as well as make our employees aware of how they, personally, can make a difference.

We reduce our use of natural resources by using energy-efficient lighting, motion sensors on lights, recycled-content paper, double-sided printing as the default in company printers and video- and teleconferencing for global meetings. We reuse what we can, such as replacing cardboard food trays in the cafeteria with reusable ones.

Employees are engaged in our environmental efforts through the annual Earth Day Fair, which began in New York and has now spread to our offices in London, Frankfurt and West Chester, Pennsylvania. The fairs not only educate employees on our efforts but also introduce them to vendors that can help them reduce their personal carbon footprints.

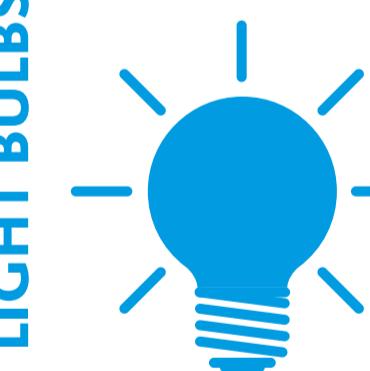
Eco-volunteerism projects allow employees to contribute directly to the greening of their communities. Through Moody's *Afternoon of Service* program, employees weeded gardens, planted trees, removed litter and improved green spaces around the world.

WE  
RECYCLE



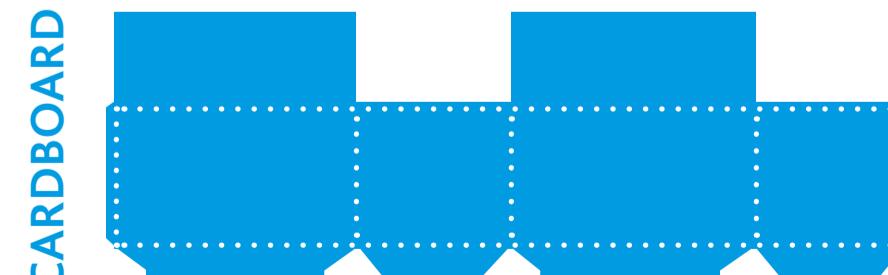
CANS & BOTTLES

LIGHT BULBS



COFFEE  
PACKETS

CARDBOARD



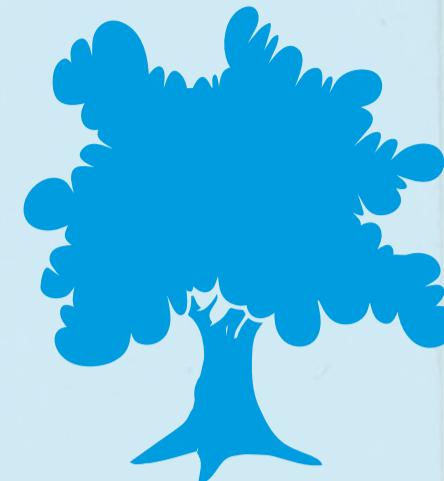
COOKING OIL



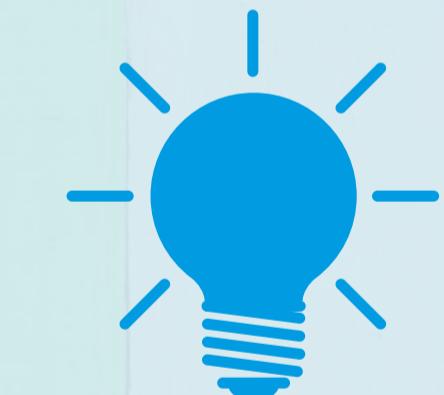
PAPER

# MOODY'S SAVED

8,406  
TREES



40,112  
GALLONS  
OF OIL



423  
MILLION  
BTU

275,712 POUNDS  
OF WOOD RESOURCES

2.2  
MILLION  
kWh  
OF ELECTRICITY

3.8 MILLION GALLONS  
OF WATER

# MOODY'S RECYCLED

**9.6** TONS OF CANS  
& BOTTLES 

**35.1** TONS OF  
COMPOSTED WASTE

**257** TONS OF  
PAPER

**308,150** COFFEE PACKETS

**355**  
GALLONS OF  
**USED**  
COOKING  
**OIL**



**6,563** POUNDS  
OF FOOD DONATED  
TO CITY HARVEST

**1,115** POUNDS OF  
LIGHT BULBS

**194** POUNDS OF NON-PCB BALLASTS

# Moody's Profit

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 Corporation (NYSE: MCO) is the parent company of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities, and Moody's Analytics, which offers leading-edge software, advisory services and research for credit and economic analysis and financial risk management.



# Moody's Combines Thought Leadership with Outstanding Financial Performance

Moody's Corporation is known for its thought leadership in issues of interest to credit market participants. Both Moody's Investors Service (MIS) and Moody's Analytics (MA) regularly receive accolades and recognition as market leaders.

## Moody's Investors Service

MIS is a leading provider of credit ratings, research and risk analysis. The company's expertise contributes to transparent and integrated financial markets, as Moody's ratings and analyses tracked debt covering more than 120 countries, 11,000 corporate issuers, 20,000 public finance issuers and 76,000 structured finance obligations during 2014. In addition to credit ratings, MIS publishes thousands of pages of research each year on capital markets, credit assessment, default rates, outlooks for different market segments, geographic areas and individual companies.

MIS provides ratings in more than 120 countries. It has an established presence in all key developed markets and has strong growth opportunities in developing markets.

MIS has made significant investments in India and China. In 2014, Moody's increased its stake in its India-based credit-rating affiliate, ICRA Limited, becoming the majority shareholder. MIS has an office in Mumbai, India, and ICRA has seven offices in India as well as offices in Nepal, Sri Lanka and Indonesia.

In China, MIS operates three offices—Hong Kong, Beijing and Shanghai—and the company holds a 49% stake in CCXI, the largest domestic credit rating agency in China.

For the third year in a row, MIS was named the #1 US Credit Rating Agency by Institutional Investor. It was also cited as the Most Influential Credit Rating Agency in Asia for 2013-2014 by the FinanceAsia Fixed Income Research Poll.



## MIS and The Moody's Foundation Support Nonprofit Financial Health Webinar Series

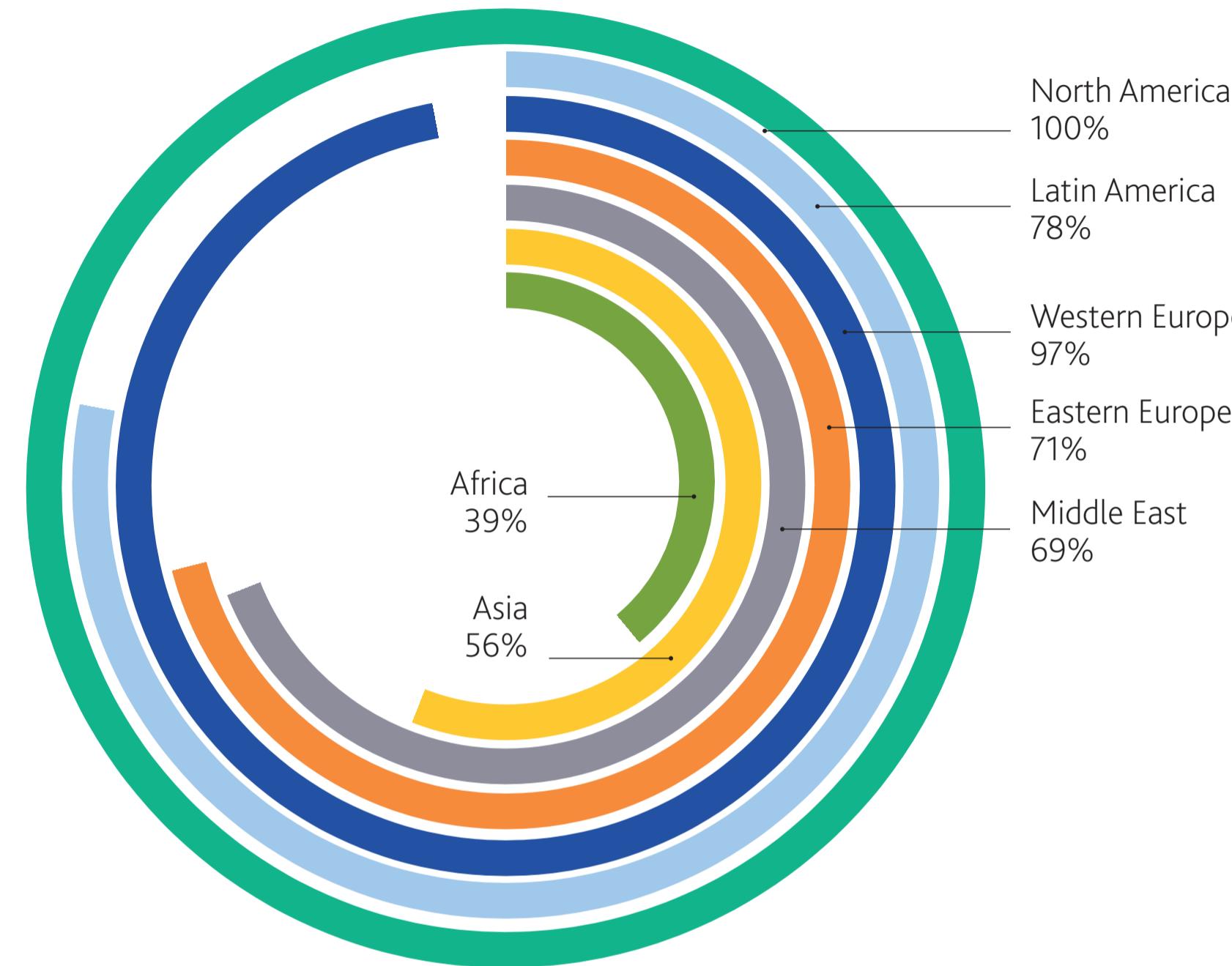
The Moody's Foundation extended its commitment to bettering nonprofit financial health with a grant to its research partner, Indiana University Lilly Family School of Philanthropy, to produce a webinar series for nonprofits to improve their financial acumen. Previous research had shown that nonprofit leaders were not as financially savvy as they could be and the webinars focused on the identified gaps.

An important facet of the project was partnering with MIS to develop webinar content based on its expertise in rating the debt of nonprofits. Dennis Gephardt, Vice President and Senior Analyst at MIS, was a featured speaker in the series. He spoke on the relationship between governance and credit quality as well as recent trends in nonprofit balance sheets and capital investment. The webinars were fully subscribed and well received by the nonprofit leaders who participated.

# Moody's INVESTORS SERVICE

## BY THE NUMBERS

Percentage of Countries Rated in Each Region by MIS



\$5.7

trillion of bank debt outstanding rated by MIS\*\*

\*\* Data includes only unsecured long-term debt with a contractual maturity in excess of one year for Moody's-rated banks, government-related institutions within the banking universe, securities firms and thrifts.

Percentage of Countries Globally Rated by MIS



Percentage of World GDP Where MIS Issues Ratings



\* Excluding offshore centers (e.g., Cayman Islands), Hong Kong and Macao

## Moody's Analytics

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise in credit analysis, economic research and financial risk management.

MA is always at the cutting edge of its field, continuously improving its products, adding to its portfolio of credit risk management products and forging new partnerships. In 2014, MA acquired WebEquity Solutions, a provider of cloud-based loan origination solutions for financial institutions. With its expertise in software-as-a-service, WebEquity brings a host of product development opportunities to the firm. MA also acquired Lewtan Technologies, a leading provider of analytical tools and data for the global structured finance market. Lewtan's risk assessment software and valuation data complement MA's business and enhance our ability to meet the growing need for securitized risk intelligence and decision support.

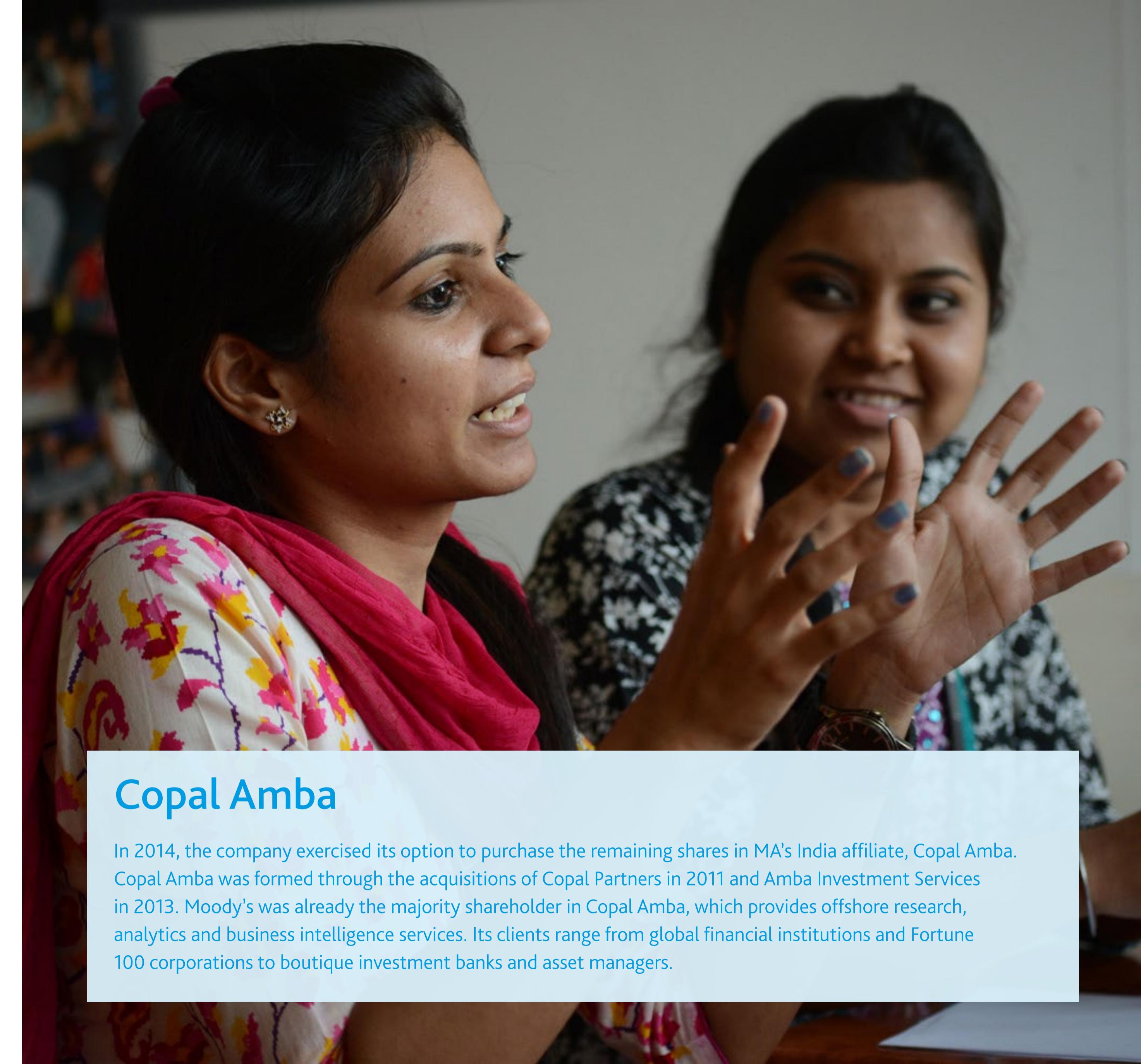
MA has partnered with CNBC to produce CNBC Rapid Update, a tool that offers a

market-wide measure of how much an economic report changes the outlook on Wall Street for US growth forecasts. MA is providing its expertise in economic forecasting and aggregating the data on behalf of CNBC.

In 2014, MA debuted its Structured Finance Portal for fixed-income professionals, which offers users easy access to market data and analytical tools to assess the relative value of any given tranche, deal, portfolio manager or loan.

Portfolio managers who use MA's RiskFrontier software benefited from two significant modeling innovations in 2014. The first was an expanded correlation model that enables them to perform portfolio-level stress testing and the second was a cash-flow model that integrates both credit and interest rate risk—a first for the industry.

MA was once again chosen as an overall Top 10 vendor by Risk Magazine's Risk Technology Rankings. MA ranked first in Risk Capital Calculation—Regulatory and Risk Capital Calculation—Economic. Risk Magazine also predicted that MA will be one of the most influential technology vendors over the next five years.

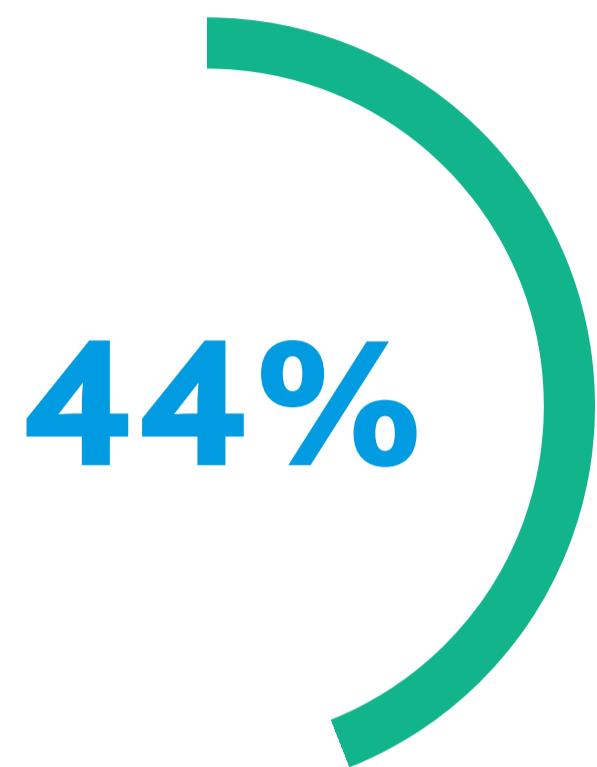


## Copal Amba

In 2014, the company exercised its option to purchase the remaining shares in MA's India affiliate, Copal Amba. Copal Amba was formed through the acquisitions of Copal Partners in 2011 and Amba Investment Services in 2013. Moody's was already the majority shareholder in Copal Amba, which provides offshore research, analytics and business intelligence services. Its clients range from global financial institutions and Fortune 100 corporations to boutique investment banks and asset managers.

# BY THE NUMBERS

United States Revenue



International Revenue



IN 2014, MA  
EXCEEDED  
\$1 BILLION IN  
REVENUE FOR  
THE FIRST  
TIME IN  
ITS HISTORY.

**40,000+**

leading market participants rely on MA's insight

**1,400**

risk-management clients globally

## Corporate Governance

### The Moody's Board of Directors

Responsible corporate governance requires a board of directors with the diverse set of skills and expertise needed to guide a company. Moody's board members have a variety of occupational and personal backgrounds and they bring a range of viewpoints and perspectives to each meeting. The Governance and Compensation Committee, composed of only independent directors, periodically reviews the board's composition and assesses the skills and experience of the individuals and group as a whole.

Henry A. McKinnell, Jr., Ph.D., serves as Chairman of the Board. Raymond W. McDaniel, Jr., is the only executive member of the board and is President and Chief Executive Officer of Moody's Corporation.

### Moody's has three standing board committees:

**Audit:** responsible for overseeing the company's financial reporting, audit process and compliance with legal and regulatory requirements.

**Governance and Compensation:** responsible for shaping the company's corporate governance, identifying and recommending nominees for the board and overseeing executive compensation.

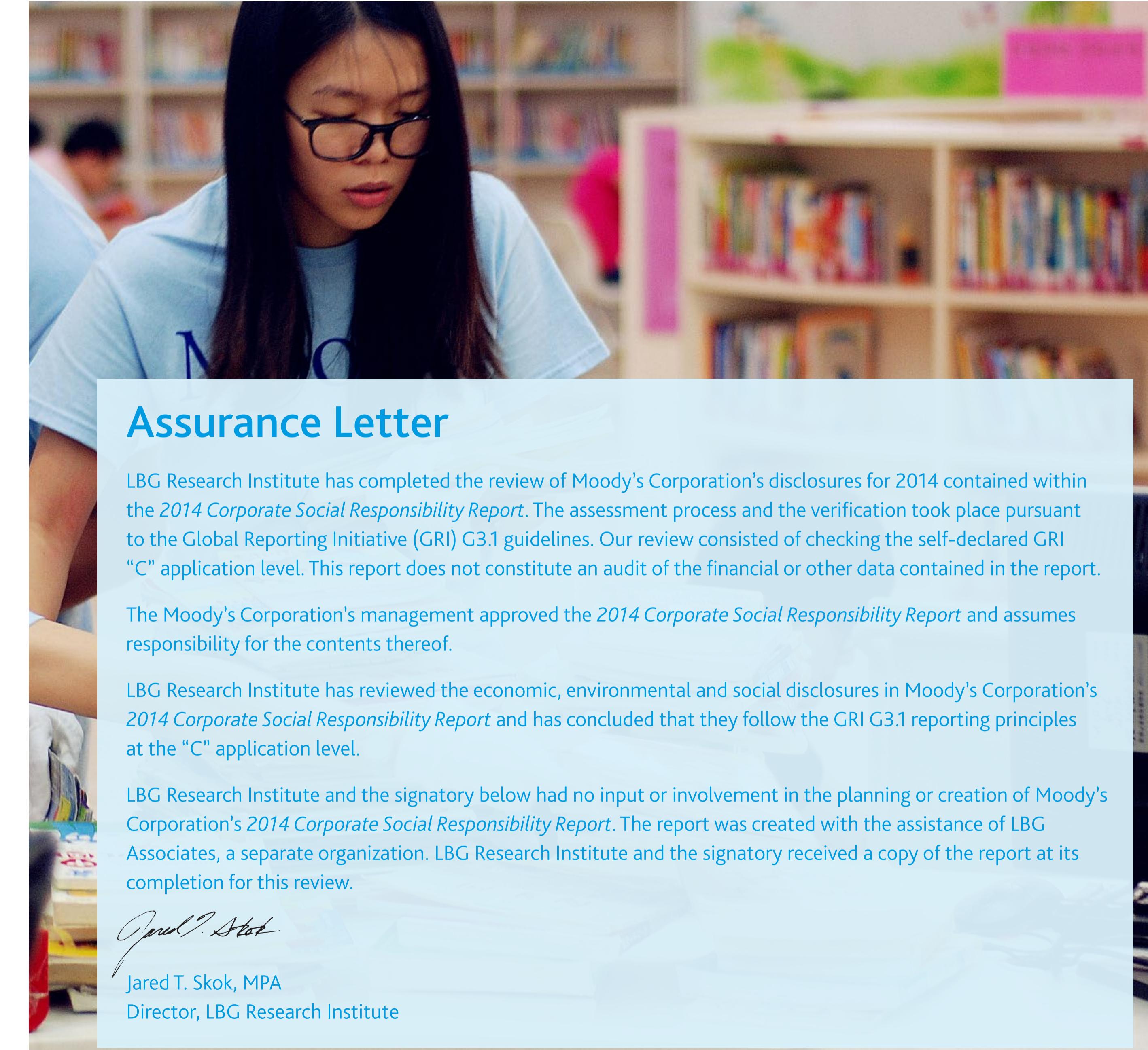
**Moody's Investors Service:** responsible for overseeing certain activities of the MIS subsidiary related to its role as a nationally recognized statistical rating organization in the US.

To ensure good governance, only independent directors serve on the Audit and Governance and Compensation committees. For more information on the committees, please see the Corporate Governance section of our Investor Relations website at [moodys.com/governance](http://moodys.com/governance).

Biographies of Moody's Board of Directors are listed in Appendix 1 on page 25.

### Code of Business Conduct

Every employee and director of the company is expected to adhere to Moody's Code of Business Conduct, which guides everything that we do. This comprehensive document governs the behavior of every Moody's employee and includes corporate policies on employee relations, ethical business practices, compliance with laws and regulations, confidentiality, acceptance of gifts, fair dealings, antitrust and competition, bribery and anti-corruption among other topics. Every Moody's employee, regardless of position, receives a copy of Moody's Code of Business Conduct and must certify his or her understanding of and adherence to it on an ongoing basis. Violations of the Moody's Code of Business Conduct are taken seriously and processes are in place to address alleged violations confidentially and systematically. Employees of MIS have additional standards of professional conduct that they must review and certify to each year. A copy of Moody's Code of Business Conduct is available at [moodys.com/CodeofConduct](http://moodys.com/CodeofConduct).



## Assurance Letter

LBG Research Institute has completed the review of Moody's Corporation's disclosures for 2014 contained within the *2014 Corporate Social Responsibility Report*. The assessment process and the verification took place pursuant to the Global Reporting Initiative (GRI) G3.1 guidelines. Our review consisted of checking the self-declared GRI "C" application level. This report does not constitute an audit of the financial or other data contained in the report. The Moody's Corporation's management approved the *2014 Corporate Social Responsibility Report* and assumes responsibility for the contents thereof.

LBG Research Institute has reviewed the economic, environmental and social disclosures in Moody's Corporation's *2014 Corporate Social Responsibility Report* and has concluded that they follow the GRI G3.1 reporting principles at the "C" application level.

LBG Research Institute and the signatory below had no input or involvement in the planning or creation of Moody's Corporation's *2014 Corporate Social Responsibility Report*. The report was created with the assistance of LBG Associates, a separate organization. LBG Research Institute and the signatory received a copy of the report at its completion for this review.



Jared T. Skok, MPA  
Director, LBG Research Institute

## Appendix 1: Moody's Corporation Board of Directors

**Basil L. Anderson**, 69, is Chairman of the Audit Committee and is a member of the Governance and Compensation Committee of the board of directors. Mr. Anderson served as Vice Chairman of Staples, Inc., an office products company, from September 2001 until his retirement in March 2006.

Mr. Anderson is currently a director of Staples, Inc., Becton Dickinson and Hasbro, Inc.

**Jorge A. Bermudez**, 63, is a member of the Audit and Governance and Compensation committees of the board of directors. He served as Chief Risk Officer of Citigroup, Inc. from November 2007 to March 2008. Before serving as Chief Risk Officer, Mr. Bermudez was Chief Executive Officer of Citigroup's Commercial Business Group North America and Citibank Texas from 2005 to 2007. Mr. Bermudez is currently a director of the Electric Reliability Council of Texas, the Federal Reserve Bank of Dallas, the American Institute of Architects and a member of the Texas A&M Foundation Board of Trustees.

**Darrell Duffie, Ph.D.**, 60, is Chairman of the MIS Committee and is a member of the Audit and Governance and Compensation committees of the board of directors. Dr. Duffie is the Dean Witter Distinguished Professor of Finance at Stanford University Graduate School of Business and has been a member of the finance faculty at Stanford since 1984. Dr. Duffie is a member of The Federal Reserve Bank of New York Financial Advisory Roundtable and the Board of The Pacific Institute of Mathematical Sciences, and is a Fellow and member of the Council of the Econometric Society and a Fellow of the American Academy of Arts & Sciences. He is Chairman of the Market Participants Group on Reference Rate Reform.

**Kathryn M. Hill**, 58, is a member of the Audit and Governance and Compensation committees of the board of directors. Ms. Hill served in a number of positions at Cisco Systems, Inc. from 1997 to 2013, including Executive Advisor from 2011 to 2013 and Senior Vice President, Development Strategy & Operations from 2009 to 2011. Ms. Hill is currently a director of NetApp, Inc. and is a member of the Board of Trustees for the Anita Borg Institute for Women and Technology.

**Ewald Kist**, 71, is a member of the Audit and Governance and Compensation committees of the board of directors. Mr. Kist was Chairman of ING Groep N.V. ("ING Group"), a financial services company, from 2000 until his retirement in June 2004. Mr. Kist is a director of Royal DSM Corporation, Royal Philips Electronics and Stage Entertainment.

**Raymond W. McDaniel, Jr.**, 57, is a member of the MIS Committee of the board of directors. Mr. McDaniel is President and Chief Executive Officer of Moody's Corporation. In this role, Mr. McDaniel is responsible for all activities of the Corporation and its two operating divisions: Moody's Investors Service, the credit rating agency; and Moody's Analytics. Mr. McDaniel is a director of John Wiley and Sons, Inc. and a member of the Board of Trustees of Muhlenberg College.

**Henry A. McKinnell, Jr., Ph.D.**, 72, is Chairman of the board of directors and is a member of the Audit, Governance and Compensation and MIS committees of the board of directors. Dr. McKinnell served as Chief Executive Officer of Optimus Pharmaceuticals, Inc. from February-October 2013. He served as Chairman of the Board of Pfizer Inc. from May 2001 until his retirement in December 2006 and Chief Executive Officer from January 2001 to July 2006. Dr. McKinnell is Chairman of Emmaus Life Sciences, Inc.

and Chairman of Accordia Global Health Foundation and until October 2013 served as Chairman of Optimus Pharmaceuticals, Inc.

**Leslie F. Seidman**, 52, is a member of the Audit and Governance and Compensation committees of the board of directors. Ms. Seidman serves as the Executive Director of the Center for Excellence in Financial Reporting at Pace University's Lubin School of Business and is a public governor for the Financial Industry Regulatory Authority (FINRA). She served as the Chairman of the Financial Accounting Standards Board (FASB) from December 2010 to June 30, 2013 and was first appointed to the FASB in 2003.

**John K. Wulff**, 66, is Chairman of the Governance and Compensation Committee and is a member of the Audit Committee of the board of directors. Mr. Wulff served as Chairman of the Board of Hercules Incorporated, a manufacturer and supplier of specialty chemical products, from December 2003 until Ashland Inc.'s acquisition of Hercules in November 2008. Mr. Wulff is a director of Celanese Corporation and Chemtura Corporation.

## HOW TO CONTACT THE BOARD

Stockholders and other stakeholders may communicate with the board, or with a specific director or directors, by writing to:

c/o Corporate Secretary  
Moody's Corporation  
7 World Trade Center  
250 Greenwich Street  
New York, NY 10007



## Appendix 2: Foundation Grants

In 2014, The Moody's Foundation awarded grants to the following organizations:

### EDUCATION

- » Academy of Finance
- » Ação Comunitária
- » Achievement First Endeavor Middle School
- » Bank Street - Liberty LEADS
- » Brunel University - Urban Scholars
- » Career Academies UK
- » The Charles A. Melton Center for Arts & Education
- » Columbia University
- » The Council for Economic Education
- » Girls Inc.
- » Girls Who Code
- » Gladesmore Community School
- » High School of Economics & Finance
- » Hong Kong Federation of Youth Groups
- » Knowledge Is Power Program
- » National Academy Foundation
- » National Merit Scholarship Corporation
- » The Posse Foundation
- » Prep for Prep
- » PS 234 Independence School
- » The Society for Industrial & Applied Mathematics (M<sup>3</sup> Challenge)
- » Working in Support of Education (Euro Challenge)
- » World Fund
- » Youth About Business

### ECONOMIC DEVELOPMENT

- » Catalyst
- » Center for Talent Innovation
- » The Cooke Center for Learning and Development
- » Coro New York Leadership Center
- » Foundation Scotland
- » Grameen Foundation
- » HOPE Worldwide
- » Kiva
- » Management Leadership for Tomorrow
- » Network for Teaching Entrepreneurship
- » Women's World Banking

### ARTS AND CULTURE

- » American Museum of Natural History
- » Asia Society
- » Battery Dance Company
- » Big Apple Circus
- » Brooklyn Academy of Music
- » Brooklyn Botanic Garden
- » Brooklyn Children's Museum
- » Brooklyn Museum of Art
- » Children's Museum of Manhattan
- » Exploratorium
- » The Franklin Institute
- » The Frick Collection
- » The Jewish Museum
- » Joyce Theater

### CIVIC

- » Kew Gardens
- » Liberty Science Center
- » Manhattan Theater Club
- » Metropolitan Museum of Art
- » Museum of American Finance
- » The Museum of Mathematics
- » Museum of Modern Art
- » National September 11 Memorial & Museum
- » New York Botanical Garden
- » New York Hall of Science
- » Old Vic Theatre
- » Paper Mill Playhouse
- » San Francisco Museum of Modern Art
- » San Francisco Zoo
- » Solomon R. Guggenheim Museum
- » Staten Island Children's Museum
- » Stratford Circus
- » Tate Galleries
- » Whitney Museum of American Art
- » Wildlife Conservation Society

### NATIONAL SEPTEMBER 11 MEMORIAL & MUSEUM

- » New York Cares
- » Points of Light
- » Volunteer Consulting Group

### HEALTH AND HUMAN SERVICES

- » Autism360
- » Hetrick-Martin Institute
- » KELY Support Group

### DISASTER RELIEF AND RECOVERY

- » Doctors without Borders
- » UNICEF

## Appendix 3: Awards

This list only includes awards presented or announced in 2014. Visit [moodys.com/awards](http://moodys.com/awards) for a complete list.

### Moody's

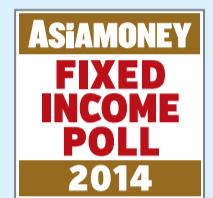
#### DIVERSITY & INCLUSION AWARDS

- » Human Rights Campaign
- » Moody's scored 100% on the 2015 Corporate Equality Index and was named a "Best Place to Work" for LGBT equality.
- » The New York & New Jersey Minority Supplier Development Council
- » The Rising Star Award to Moody's Procurement and Sourcing Group. The award is given each year to a public or private sector entity that has advanced supplier diversity initiatives within its organization.

### Moody's INVESTORS SERVICE

#### Institutional Investor

#1 US Credit Rating Agency:  
2012, 2013, 2014



#1 Asia Credit Rating Agency:  
2012, 2013, 2014



Most Influential Credit Rating Agency:  
2013, 2014



#1 US Municipal Research Team in Smith's All-Star Voting: 2014



Australia's Rating Agency of the Year:  
2014

### Moody's ANALYTICS

#### InsuranceRisk AWARDS 2014 WINNER

Best Solvency II &  
Best Data Management Solutions

#### 2014 FINTECH RANKINGS IDC Financial Insights

Recognized as a Top Solution Provider

#### AsiaRisk TECHNOLOGY RANKINGS 2014

#1 Regulatory Capital Calculation & Management and #1 Asset & Liability Management

#### Risk TECHNOLOGY RANKINGS 2014

#1 Basel III Compliance and #1 Economic & Regulatory Capital Calculation Solutions

#### CIR Risk Management AWARDS 2014 winner

Financial Risk Management Software of the Year

#### RiskTech 100 2014 Category Winner Organizational Strength

#1 in Organizational Strength

#### (fin tech) FORWARD

Recognized as a Top Solution Provider

#### Structured products TECHNOLOGY RANKINGS 2014

Top Risk Management Regulatory / Economic Capital Calculation

## Appendix 4: Benefits of Employment

Moody's employees who work at least 20 hours a week are eligible for a comprehensive set of benefits. Although benefits vary by location and operating unit, below is a look at some of the health, retirement, insurance and other benefits we offer in the US. These benefits help maximize the health, wellness and financial future of Moody's employees, whether they are new to the company or about to retire.

### HEALTH

- » Medical
- » Dental
- » Vision
- » Flexible Spending Accounts
- » Health Savings Accounts
- » Paid Sick Days

### RETIREMENT

- » Profit Participation Plan (401[k])
- » Retirement Contribution
- » Discounted Employee Stock Purchase Plan
- » Healthcare Benefits
- » Insurance
- » Company-Paid Life
- » Basic Life
- » Group Universal Life
- » Dependent Life
- » Short-Term Disability
- » Long-Term Disability
- » Voluntary Group Accident
- » Business Travel Accident
- » Long-Term Care

### ADDITIONAL BENEFITS\*

- » Educational Assistance
- » Adoption Assistance
- » Family and Medical Leave Act
- » Paid Maternity and Paternity Leave
- » Flexible Spending Accounts: Childcare
- » Subsidized Childcare
- » Backup Childcare
- » LifeCare Resource and Referral Service
- » Health Advocate
- » Financial Planning
- » Commuter Benefit Plan
- » Employee Assistance Program
- » Vacation and Holidays
- » Flexible Work Arrangements
- » Referral Program
- » US Savings Bonds Purchase Program
- » Matching Gift Program
- » Dollars for Doers
- » Eldercare
- » Eldercare Subsidy
- » Bonus Program
- » Bereavement Leave
- » Relocation Assistance
- » Professional Membership

\* Varies by location and operating unit



## Appendix 5: GRI Index

DISCLOSURE	DESCRIPTION	LOCATION
<b>Strategy and Analysis</b>		
1.1	Statement from the most senior decision-maker of the organization	Pg. 5
<b>Organizational Profile</b>		
2.1	Name of the organization	Pg. 6, 19
2.2	Primary brands, products, and/or services	Pg. 6, 19
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Pg. 6
2.4	Location of organization's headquarters	Pg. 6
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Pg. 6
2.6	Nature of ownership and legal form	Pg. 6
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Pg. 6, 19-23
2.8	Scale of the reporting organization	Pg. 6
2.9	Significant changes during the reporting period regarding size, structure, or ownership	None
2.10	Awards received in the reporting period	Pg. 27
<b>Report Parameters</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	Pg. 4
3.2	Date of most recent previous report (if any)	Pg. 4
3.3	Reporting cycle (annual, biennial, etc.)	Pg. 4
3.4	Contact point for questions regarding the report or its contents	Pg. 4
3.5	Process for defining report content	Pg. 4
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	Pg. 4
3.7	State any specific limitations on the scope or boundary of the report	None
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	2014 Annual Report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	None
3.12	Table identifying the location of the Standard Disclosures in the report	Pg. 29

## Appendix 5: GRI Index (continued)

DISCLOSURE	DESCRIPTION	LOCATION
<b>Governance, Commitments, and Engagement</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Pg. 24
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Pg. 24
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Pg. 24-25
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Pg. 25
4.14	List of stakeholder groups engaged by the organization	Pg. 4
4.15	Basis for identification and selection of stakeholders with whom to engage	Pg. 4
<b>Economic Performance Indicators</b>		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Pgs. 5-6, 12-13, 2014 Annual Report
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Pgs. 5, 12-13
<b>Environmental Performance Indicators</b>		
EN6	Energy saved due to conservation and efficiency improvements	Pg. 17-18
<b>Social Performance Indicators</b>		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Pg. 6 (partial)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Pg. 8, 28
LA4	Percentage of employees covered by collective bargaining agreements	Pg. 6
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Pg. 8
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Pg. 8
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Pg. 12-13
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Pg. 9, 24
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Pg. 9, 24

# Moody's

[moodys.com/csr](http://moodys.com/csr)

[facebook.com/moodysfoundation](http://facebook.com/moodysfoundation)