

This statement is made in accordance with the Modern Slavery Act 2015 on behalf of the relevant Moody's companies¹ ("Moody's"), and sets out the steps taken to prevent modern slavery and human trafficking in its business and supply chains.

Modern Slavery and Human Trafficking Statement

Introduction

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.

For more than a century, Moody's employees have proudly upheld the company's worldwide reputation for high standards of business conduct. An essential aspect of Moody's success is our collective commitment to operating in an ethical and lawful manner to maintain the integrity of our business.

This statement sets out our approach to preventing slavery and human trafficking in our workforce and supply chain.

Corporate Social Responsibility at Moody's

As a global company active in financial markets around the world, we believe that Moody's has a responsibility to our stakeholders and to the communities where we live and work. Our commitment is built on the deeply ingrained sense of social responsibility among our employees and the recognition that our company grows stronger by helping to advance local communities, business practices and individual lives around the world.

Our social investment is wide-reaching and includes:

- Valuing our people
- Advancing diversity
- Developing our global community
- Contributing to economic development
- Managing our business
- Caring for the environment
- Respecting human rights

Moody's annually produces a Corporate Social Responsibility Report: our report for the year ended 31 December 2016 (our 7th annual report) can be found at: <https://www.moody's.com/microsites/csr/index.html> and sets out in detail our commitment to social responsibility. This report covers our CSR strategy, sustainability, innovation, talent, community, integrity and Global Reporting Initiative Index.

Moody's also contributes to our communities through the work of The Moody's Foundation, the philanthropic arm of the company.

¹ This statement 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 Analytics Knowledge Services (UK) Limited and Moody's Investors Service Limited, all of which fall within the scope of section 54(2) of the Modern Slavery Act 2015.

Moody's Code of Business Conduct

Moody's has also put in place a number of codes, policies and procedures to run the 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 our business and can be found on the Moody's website at: http://s21.q4cdn.com/431035000/files/doc_downloads/other_governance_documents/2016/MCO-Code-of-Business-Conduct.pdf. The Code confirms that an essential aspect of Moody's success is our collective commitment to operating in an ethical and lawful manner to maintain the integrity of our business. The Code, which has been approved by the Moody's Corporation Board of Directors, sets forth the guiding principles we expect each employee and corporate director to follow. Every Moody's employee receives training on the Code and is periodically required to certify that he or she has reviewed this 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".

Workforce Profile

We have a number of entities that employ people in the UK, and two of these companies also have foreign branches. The majority of the employees of these companies are employed on full-time contracts. A proportion of our employees are part-time, and their terms and conditions are otherwise the same as for full-time staff. In certain circumstances, we utilise agency workers and, in doing so, we work in compliance with the UK's Agency Worker Regulations. From time-to-time, we also engage specialist contractor resources for specific projects.

We offer competitive pay, benefits, employment conditions and policies which are periodically benchmarked, and we have flexible working arrangements available to employees, such as part-time and telecommuting arrangements. We do not operate zero hours contracts. All our employees are subject to the standards in our Code, as set out above.

Outsourcing and Supply Chain Relationships

Moody's has rigorous policies and procedures in relation to the engagement of suppliers that assist Moody's in carrying on its business. Moody's has a Procurement & Sourcing Group which is responsible for the management of our global, enterprise-wide spend on products and services. Moody's also has a Vendor Selection and Contracting Policy which sets out the parameters which apply to our selection and retention of certain new and existing suppliers and the execution of contracts. We have provided training in relation to modern slavery and human trafficking issues to the Procurement & Sourcing Group, as well as our Corporate Development Group (which is responsible for merger and acquisition activity within the Moody's group of companies). The Corporate Development Group has added a specific question on modern slavery and human trafficking in their standard due diligence request list for acquisitions.


Our supply chain mostly consists of reputable financial services firms, sophisticated 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). Given the nature of our business and the typical goods and services we procure, we consider the risk of slavery and human trafficking in our supply chain to be low. 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, we consider the suitability of the particular product or service for Moody's needs, as well as other selection criteria, including organization and management, reputation, and their ability to meet Moody's applicable regulatory or legal requirements.

Our 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); (ii) to adhere to the rules and requirements arising in connection with its personnel; and (iii) not to participate in any illegal, deceptive, misleading or unethical practices. We have recently updated our standard UK contract templates for Master Professional Services, General Consulting Services, Client Training Services and Master Staffing Services to include a specific provision that requires the supplier to: comply with all applicable anti-slavery and human trafficking laws (including the Modern Slavery Act); implement due diligence procedures for their own supply chains; confirm that there is no slavery or human trafficking in its supply chains; and, notify Moody's of any breach. We will not support any supplier relationship where we are 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 the contractual arrangements and/or in compliance with the applicable laws and regulatory requirements.

Open Door Communication and Whistleblowing

Moody's objective is to maintain an environment in which all employees feel comfortable to raise issues that they believe are important. Moody's therefore supports open door communication and encourages employees to raise concerns with their immediate supervisors or other senior managers. We also operate an Integrity Hotline for employees to raise issues or report concerns. In accordance with applicable law, no employee will be subject to retaliation because of a good faith report of suspected misconduct.



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Nigel Phipps

MD – UK Country Manager, Moody's Investors Service